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# Daily Report

# East Asia

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# Daily Report
## East Asia

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**NOTICE TO READERS:** An * indicates material not disseminated in electronic form.

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## Japan

### U.S. Commerce Secretary-Designate on Trade

*OW0701001593 Tokyo KYODO in English 2329 GMT 6 Jan 93*

[Report by Antonio Kamiya]

[Text] Washington, Jan. 6 KYODO—Commerce Secretary-designate Ron Brown vowed Wednesday to act aggressively in protecting U.S. global commercial interests by pressing other nations to open their markets and stepping up the enforcement of U.S. trade laws.

Testifying before a Senate confirmation hearing on his appointment, Brown declared himself a free trader but said free trade alone is not enough.

"We must reinvigorate our trade policy by promoting expanded trade, by working to open foreign markets, and by responding vigorously to unfair foreign trade practices," he told the Senate Commerce Committee.

"I will be relentlessly aggressive and pragmatic in advancing the health and growth of the American economy," he said.

Brown, 51, a smooth-talking lawyer-lobbyist who has served as chairman of the Democratic Party since 1989, struck a forceful but conciliatory note in three hours of testimony before the Democrat-dominated Senate panel.

Republican members of the panel questioned him on his past lobbying activities but there appeared to be little damaging information.

Brown, who counted Japanese electronic corporations as his past clients, deflected charges of potential conflicts of interest, arguing that his experience of representing foreign interests will make him "a much stronger and more effective" commerce secretary.

Brown also made a strong pitch for his skills as an advocate of public policy and his ability to get things done.

"I am known as a conciliator and negotiator, but those who know me also know I can be tough and aggressive," he said.

Underscoring the importance of export trade to the U.S. economy, Brown said he intends to make the Commerce Department the lead government agency on trade policy.

Brown refused, however, to be drawn into specific policy issues and most of his answers on trade policy reflected pronouncements President-elect Bill Clinton made during the campaign.

Asked about the chronic U.S. trade deficit, Brown listed U.S. macroeconomic policies as "the primary cause."

"As long as the United States fails to save enough to finance its investment, the United States will have a current account deficit," Brown said in a written response to a list of prehearing questions presented by the Senate panel.

But he also listed competitiveness of American companies, unfair trade practices, and lack of access to foreign markets as "important" factors why U.S. exports chronically lag behind imports.

Commenting on U.S. trade ties with Japan, Brown identified the difference in Japan's economic structure as a barrier to imports and vowed to break down such structural barriers through the enforcement of U.S. trade laws.

Brown listed dumping, government subsidies, denial of market access, and piracy of patents and copyrights as targets of action under U.S. trade laws.

If confirmed by the Senate, as widely expected, Brown would be the first African-American to head the Commerce Department.

### Two Chinese Arrested for Illegal Fishing

*OW0701094593 Tokyo KYODO in English 0931 GMT 7 Jan 93*

[Text] Nagasaki, Jan. 7 KYODO—Two Chinese captains who evaded an early Thursday roundup by the Maritime Safety Agency were arrested hours later for fishing illegally in Japan's territorial waters, officials said.

The first roundup was held in the early hours and four Chinese captains were arrested.

The agency said six Shanghai-based fishing boats entered Japanese territorial waters off Tsushima Island, Nagasaki Prefecture, early Wednesday morning.

In groups of two boats they operated dragnets for leatherfish some 17 kilometers east-southeast of Tsushima, officials said.

### Fingerprinting Requirement System Law Revised

*OW0701150493 Tokyo KYODO in English 1307 GMT 7 Jan 93*

[Text] Tokyo, Jan. 7 KYODO—Legislation ending the fingerprinting requirement for most permanent foreign residents comes into effect Friday [8 January], officials said Thursday.

About 638,000 foreigners permanently residing in Japan, mostly Koreans and Taiwanese, will no longer have to submit fingerprints when they register or renew their registrations.

Instead, they will be required to supply a photograph, signature and evidence of family registration as a means of identification.

The fingerprinting requirement will remain unchanged, however, for some 363,000 other foreign nationals who have lived in Japan for more than a year but who do not have permanent resident status.

The fingerprinting system, which was introduced 38 years ago, has drawn criticism in and out of Japan. Critics say the system symbolizes discrimination.

Even under the revised law, both permanent and nonpermanent foreign residents must continue to carry their registration cards at all times.

### Law Revision Stirs Opposition

*OW0701104193 Tokyo KYODO in English 2341 GMT 6 Jan 93*

[Text] Kyoto, Jan. 7 KYODO—"Permanent resident or not" will be the crucial question for some one million long-term foreign residents in Japan after the enactment of a revised alien registration law on Friday [8 January].

About 638,000 foreigners permanently residing in Japan, mostly Koreans and Taiwanese, will no longer have to submit fingerprints when they register or renew their registrations.

For another 363,000 foreign nationals who have been living in Japan for more than a year, but who do not have permanent resident status, the fingerprinting requirement will remain unchanged.

Chong Koing Yong [name as received], a 33-year old Tokyo citizen of Korean origin, whose family has been living in Japan for two generations, is one such foreigner.

Although born and raised in Japan, Chong has not been granted permanent residency status that now would exempt him from the compulsory fingerprinting practice introduced in 1952. Critics charge the practice infringes on human rights.

Chong's father, who came to Japan before World War II, was conscripted into the Imperial Army in 1944 and dispatched to fight on the Korean peninsula then under Japanese colonial rule.

He returned to Japan in 1947 but was not granted permanent residency status because he entered the country illegally.

Chong has submitted prints of his left index finger every three years for renewal of his limited residence status since turning 16 years old, as required by law. In [year indistinct], however he refused to submit to the practice and his permit was subsequently shortened to a one-year period. He is currently fighting the decision in court.

Korean citizens' groups demand complete abolition of the fingerprinting system as well as renouncement of other requirements, such as a law stipulating permanent and nonpermanent foreign residents must at all times carry their alien registration cards.

Under the revised law, foreign residents must continue to carry their alien cards.

The revised law stipulates permanent residents must submit photographs, signatures, and family registration documents instead of fingerprints. The family registration contains information on parents and spouses living in Japan.

In the future, personal data will be stored on modern equipment such as electronic cameras and computer systems. Records stored on paper will be destroyed, but the largest portion of records have been put on microfilm and will be stored at the Justice Ministry.

Critics of the system say the measures violate foreign residents' privacy and show that the government continues to view foreigners as a potential threat to domestic security.

The Justice Ministry proposed last December to eliminate the fingerprinting requirement for all foreign residents, but met with strong resistance from the National Police Agency which cited security reasons for maintaining the practice at least partially.

The move to revise the law came against the backdrop of Tokyo's pledge to Seoul to abolish by January 1993 the fingerprinting requirement for Korean residents who have lived in Japan since before World War II, as well as for their offspring.

### Miyazawa 'Determined' on Political Reform Plan

*OW0701081893 Tokyo KYODO in English 0700 GMT 7 Jan 93*

[Text] Tokyo, Jan. 7 KYODO—Prime Minister Kiichi Miyazawa said Thursday he is determined to press ahead with comprehensive political reform and overcome public distrust in politics.

He told a New Year party of the ruling Liberal Democratic Party (LDP) that the basic political reform plan adopted by the party "should be presented to the Japanese people, and the Diet should pass it."

He said 1993 is a crucial year for Japan's postwar democracy.

The LDP handed a set of recommendations to Miyazawa in the middle of last year calling for a system of single-seat constituencies in the House of Representatives in place of the current multiseat constituencies.

Miyazawa also cautioned against an optimistic view that there is bound to be an early recovery by the sluggish Japanese economy, saying the situation is much more serious than the economic problems Japan has experienced previously.

Miyazawa said the government should take appropriate measures at the right time to stimulate the economy.

He hinted that the government will introduce a supplementary budget as soon as possible following the passage by the Diet of the budget for fiscal 1993, which starts on April 1.

Referring to U.N. peacekeeping missions, he indicated that Japan will tackle its responsibilities positively.

Miyazawa said Japan should make a greater contribution to the United Nations, which he said is expected to serve the world from new perspectives in the post cold war era.

### Sadao Yamahana To Become New SDPJ Chief

*OW0601022293 Tokyo KYODO in English 0131 GMT 6 Jan 93*

[Text] Tokyo, Jan. 6 KYODO—Social Democratic Party [of Japan] (SDP) [SDPJ] Secretary General Sadao Yamahana will automatically become the new SDP chairman on January 19 because he will be the only candidate for the post Wednesday, party officials said.

Yamahana, 56, and a six-term member of the House of Representatives, will become the 12th SDP leader because he will be the only one to register his candidacy with the party headquarters in Tokyo, so no election will be necessary, the officials said.

If two or more persons were to register, all full and associate SDP members across the country would cast their ballots January 15 and 16 under the party's rules.

Makoto Tanabe, 70, announced his resignation from the party's top post December 24, calling for a generational change in the party leadership. Tanabe also said he hoped his resignation would boost the SDP's chances in the next general election, expected sometime this year.

Tanabe's resignation came in the wake of strong criticism within the party ranks of his friendship with disgraced ruling Liberal Democratic Party Kingpin Shin Kanemaru and the SDP leadership's handling of the Tokyo Sagawa Kyubin money-and-mobster scandal.

In announcing his intention to run for the top post Monday, Yamahana appealed for party unity to create a new image of an SDP capable of adapting to a rapidly changing world.

According to party sources, Yamahana is likely to be replaced as the party's No. 2 post of secretary general with Ichiro Hino, a five-term member of the lower house.

The SDP will formally approve Yamahana as its new head to succeed Tanabe at an extraordinary convention scheduled for January 19.

### Halt to Army Recruitment Increases Studied

*OW0601111793 Tokyo KYODO in English 0855 GMT 6 Jan 93*

[Text] Tokyo, Jan. 6 KYODO—The Defense Agency is considering dropping plans to expand Ground Self-Defense Force (GSDF) troops to 180,000 from the current 151,000, agency officials said Wednesday.

The agency will review the 1976 national defense program outline which set forth the numbers of GSDF troops and divisions as well as the scope of major military equipment Japan is to maintain, the officials said.

Under the outline, sketched out at the time by the administration of former Prime Minister Takeo Miki, Japan deploys approximately 151,000 ground troops assigned to 13 divisions throughout Japan.

The review was proposed in tandem with the breakup of the Soviet Union and the subsequent downward revision in 1992 of outlays of Japan's 1991-95 defense buildup plan, they said.

On December 18, the government of Prime Minister Kiichi Miyazawa approved slashing 580 billion yen from the 22.75 trillion yen program.

The agency plans to organize an advisory council comprising intellectuals and academics by the end of 1993 to discuss the effects of the proposed cutbacks on the defense program outline, they said.

The outline mandated maintaining a scope of military equipment that "will enable the country to take minimum necessary actions to counter various sorts of aggression, using conventional arms," according to the agency's annual report entitled "Defense of Japan."

### Public Works Projects Frontloading Considered

*OW0601130493 Tokyo KYODO in English 1108 GMT 6 Jan 93*

[Text] Tokyo, Jan. 6 KYODO—The government is considering revving up the flagging economy by introducing additional steps to boost fiscal 1993 public works projects in the first half, official sources said Wednesday.

It will be the second straight year for such pump-priming measures, which is aimed at boosting domestic demand or the main dynamo of economic growth.

The sources said data on Gross National Product for the final quarter of 1992, to be released in March, will show whether or not to concentrate fiscal 1993 public works projects in the first half.

Despite a tight fiscal 1993 budget, the government plans to spend a total of 8.57 billion yen on public investment in the next fiscal year beginning April 1, a 4.8 percent increase over the original fiscal 1992 budget and the biggest rise in five years.

But the business community is pressing for additional spending as the scale of public investment is below the fiscal 1992 level when compared with the revised 1992 budget.

With a general election widely expected in 1993, the ruling Liberal Democratic Party is also for more pump-priming measures, among them the frontloading of public works projects.

But the Finance Ministry is cool to the measure because the delayed passage of a fiscal 1992 supplementary budget featuring public works projects makes it certain that many will be carried over to fiscal 1993.

However the ministry will change its mind if the October-December GNP data and other economic statistics show a slower-than-expected recovery, one official said.

## Effects of 'Economic Slowdown' Analyzed

*OW0701003193 Tokyo KYODO in English 0001 GMT 7 Jan 93*

[Report by Mitsuru Mabuchi and Ikuji Nakaya]

[Text] Tokyo, Jan. 7 KYODO—The Japanese are suffering a hangover from the spending and speculation binge of the late 1980s.

The continuing economic slowdown, the worst in two decades, has had a sobering effect on the people's party spirit and has prompted the nation to do a little soul searching.

A growing distaste for a "casino economy" appears to have resurrected the longing for a purer and simpler life, a deep-rooted aspect of the country's spiritual tradition.

A recent poll found that while 64 percent of Japanese believe they are affluent, 87 percent think they should reconsider their life-styles. It also showed that 85 percent feel Japan is consuming too much energy and resources, and that 73 percent are willing to give up some conveniences to protect the environment.

Attesting to this changing sentiment is the renewed popularity of Ryokan, an 18th century hermit-monk who lived a rich spiritual life free of material possessions in the "one robe, one bowl" tradition.

His extremely simple life-style is viewed by a growing number of people as a good antidote to the insobriety of mass consumption.

"People have begun to look for an antithesis to the consumer cult," said Satoshi Iwamoto, editor-in-chief of "SERAI" magazine, which recently featured the Zen monk in a cover story.

The collapse of the "bubble economy" was a godsend for the bimonthly, which regularly has features on old sages, with its circulation doubling in the past year to 350,000 despite sluggish business conditions.

"The bubble economy was a good lesson for the Japanese and taught the emptiness of pursuing material wealth," said Koji Nakano, a writer and critic.

Nakano's recent book, "Seihin No Shiso" (Philosophy of Honest Poverty), which also presents Ryokan as a paradigm of the simple-life philosophy, has already sold over 120,000 copies since its first publication in September 1992.

Born to a well-heeled "nanushi" or village head, Ryokan, at the age of 17, abruptly decided to give up all earthly pleasures and enter the path of enlightenment through Zen training.

Ryokan, who called himself "great fool," lived in semi-seclusion in a shabby hermitage, playing with children and writing poems.

"As much fuel as I need

is supplied by the wind—

these fallen leaves I gather"

This was one such poem he composed after rejecting an offer by a regional ruler to build him a temple of his own.

Nakano admits that ordinary people today cannot follow in the footsteps of Ryokan, but says we can at least learn from the Zen monk's pure life-style.

"Reducing possessions as much as possible helps us achieve a liberation of the mind," he said.

Masahide Kanetoshi, chief director of Japan Broadcasting Corp., which aired a drama on the life of Ryokan at prime time on New Year's Day, concurred, saying that Ryokan had achieved "real richness by throwing things away."

Trend analysts have noticed marked changes in consumer attitudes since Japan entered the "post-bubble era."

"Consumers may not be able to give up possessions, but there are clear signs they are becoming increasingly adverse to buying things that are not really necessary," SERAI's Iwamoto said.

This is, however, a phenomenon that has been in the making for some time, analysts say.

"We first noticed the change in the early 1980s," when the life-style of middle-class America stopped being the model for many Japanese, said Shoji Horiguchi, director at the Dentsu Institute for Human Studies. "The burst bubble accentuated the change."

Hidehiko Sekizawa, executive director of the Hakuhodo Institute of Life and Living Inc., pointed to the shift in consumer interests "from products to experiences."

That may be reflected in the growing number of people practicing cha no yu (the art of tea).

Sokaku Suzuki of the Omote Senke School pointed out that the younger generation seems to be looking for some "mental experience" or "something substantial" that they cannot obtain through dancing or partying.

Currently, this time-honored art boasts 15 million learners, a 10-fold jump from the 1960s, says one cha no yu master.

But critics are skeptical that the yen for material simplicity can really transform the consumer culture in Japan.

"I doubt that conventional wisdom will go that far," said Horiguchi.

Nakano, too, has few expectations it will happen, noting that for the first time in Japan's history the majority of the populace had become affluent by the late 1980s.

But in that process, the Japanese have lost their grace and dignity, he said, pointing to their oft-cited tendency of appreciating works of art only by their price tags.

"I don't think people should be respected for their wealth, but only for their grace and dignity," Nakano said, adding it is absurd to imagine that the economy will keep growing indefinitely.

In that sense, Nakano even welcomed the current recession in Japan, saying it "provides a really good opportunity for us to reconsider our way of life ."

## Keidanren Leaders Debate Corporate 'Coexistence'

*932A0074A Tokyo GEKKAN KEIDANREN in Japanese Oct 92 pp 10-20*

[Roundtable discussion among Katsuhiro Utada, Keidanren vice chairman and Ajinomoto chairman emeritus; Yutaka Kume, Nissan Motor Co. chairman, Keidanren vice chairman, and chairman of Keidanren committee on coexistence; Akio Morita, Sony chairman, vice chairman of Keidanren board of trustees; Nobuo Tateishi, Omron vice chairman, acting chairman of Keidanren committee on consumers and workers; and Masaya Miyoshi, Keidanren Secretariat director: "Domestic and External Coexistence"]

### [Text] I. Background of Coexistence Advocacy

[Miyoshi] At Keidanren, "coexistence" has been taken up as this year's slogan. In May, at our general meeting we resolved to promote "coexistence" with other nations; and in our Higashi Fuji forum in July we had lively debates on the theme "an era of coexistence and change." Because of that, discussion of "coexistence" has become rife in the mass media, too; but here and there we see debate based on misunderstanding and distortion. So, today I would like to have us speak out freely on what the "coexistence" is that Keidanren seeks. The direct occasion for "coexistence" being taken up was our mission to Europe in the autumn of 1991; but behind the debate on "coexistence" was Japanese business's awareness of problems in going on as they had done vis-a-vis the internal and external issues that had been exposed by the development of the Japanese economy. What do you think about this point?

### Should Japanese Business Continue as It Has?

[Utada] I think there are three major changes in the background of the "coexistence" debate. One is that as the globalization of Japan has proceeded our presence in international society has become quite large, so that the way that Japanese business should act has come to be reexamined.

Second, within Japan we have become aware of a gap between the logic of business and the conventional sense of society, so that the primary factors that supported our postwar economic growth have begun to get a second look. Moreover, environmental issues have received more attention lately.

Third, there are changes in the attitude toward labor and in the sense of values within companies, or the fact that conditions of employment have changed due to the problem of labor shortages.

Particularly, in a world situation said to have become tripolar since the liquidation of the East-West cold war, I think that, having seen the collapse of socialist economies, the liberal economies themselves are also being called on to evolve anew. As Mr. Lester Thurow has pointed out in his new work, *Head to Head*, may not the flow of the world be changing from a way of doing things based on less fair, individualistic or economic rationality to a new group-centered economic system with a strong sense of community? I think this "coexistence" may be valid as a concept for that.

[Miyoshi] Did not discussion of coexistence arise because of the article Mr. Morita wrote for the February BUNGEI SHUNJU?

[Morita] The term "coexistence" came up in Keidanren at almost the same time that my article appeared in BUNGEI SHUNJU, but I did not actually use the term "coexistence" in the article.

The main point of that article is the question of how competition without friction can be achieved. As I reflected on why friction arises even though Japan is trying so hard and providing good products, I realized there is a problem in Japan's style of business management. It is that our accommodation of, and consideration for stockholders may be a bit inferior to that of U.S. and European business.

On the other hand, part of the "coexistence" argument is that we have to coexist since it is pitiless to crush foreign businesses. Yet, in a market economy premised on competition, there is always the possibility that the one losing out to competitors will ultimately being crushed. I think calling this pitiless overly personifies a business. In Europe and the United States, a business firm is always a thing, as symbolized by the way that mergers and acquisitions flourish.

Therefore, I think the term "coexistence" is poorly defined when it might be taken to include even such ideas as that it is bad or going too far to ruin a rival. Consequently, my idea is to try to find ways for frictionless competition.

### Importance of Behaving in Accordance With Each Country's Rules

[Miyoshi] As chairman of the committee on coexistence, newly set up in May, what do you think, Mr. Kume?

[Kume] The concept of finding the cause of trade imbalances in Japan's unique nature has showed up mainly in the United States; but this idea closes the way to mutual dialogue and invites Japan's isolation or might even abet protectionism. At a time when people are trying to create a new post-cold war order, for us to become isolated would mean the way would be closed for Japan to contribute to the formation of the new order. To forestall that, I think it is important to make clear our coexistence with the outside world.

I quite agree with what Mr. Morita just said. In theory, we need not be ashamed even when, competing under identical conditions with foreign nations, we bankrupt a foreign business. Yet, there are industries that, if they were weakened, would create problems for a nation. This is a source of trouble. I think one must not ruin industries whose crushing would alter the way that a nation should be or would impact international politics. I am not especially personifying businesses. Again, since people thereby become unemployed when businesses disappear, it is all right if those unemployed can be absorbed locally. When that is not the case, I think one cannot shrug it off, saying that is your responsibility. I think concrete ideas are needed on how, from now on, we will reconcile such realities with economic theory.

[Miyoshi] Mr. Tateishi, in the consumers and workers committee you are having very lively discussions on domestic coexistence, are you not?

[Tateishi] What I am quite apprehensive about in the coexistence debates—particularly concerning coexistence with the outside—is giving people overseas the impression that "coexistence means not bankrupting anyone." As a result, they may misunderstand that "in Japan, coexistence is being discussed as a so-called logic of the strong." I actually hear such views often when talking with foreigners.

I think "coexistence," even while premised it on competition, is something whereby the matter of whether it is all right for the other party to be bankrupted will be determined at the time on its own, depending on what value there is in the other company existing in that region. Hence, I think it is not a matter of Japan going forth into the world unilaterally with its own value standards, but it is important to behave according to other nations' social norms, rules, and practices.

On the other hand, as to domestic coexistence, 33 out of the 36 members of the planning subcommittee of our consumers and workers committee think there is a gap between the logic of business and the conventional sense of society.

Behind this gap between business logic and society's conventional sense is there not the fact that heretofore the logic of business or producers—the logic of big business—has had its way? The burden of that is being borne by medium and small business, subcontractors, and collaborating firms. Perhaps we have been showing consumers and workers an incomprehensible business behavior. I think correcting such things may itself be domestic coexistence.

[Morita] When I said that we do not mind bankrupting someone if it is fair competition, it could be taken to mean we are unconcerned about how we bankrupt them; but I did not intend to say such a thing. I wanted to say that we must push hard always to make a free economy the basic thing. Certainly, for each country there are industries it must have at any cost. This would apply to auto industries or semiconductor industries.

Yet, there is a tendency in other countries to take the term "coexistence" a bit too far and think that Japan is insisting on cartels or prior consultation on bidding. So, I spoke this way because I wanted to say that is not the way it is; We are prepared to try to make the rules fair and are ready to change our behavior on that.

### II. External Coexistence—Accumulating Concrete Measures Is Important

[Miyoshi] At his press conference after the Keidanren general meeting in May, chairman Hiraishi said, "Coexistence is not a policy, but an idea linking the globe, markets, and people. Coexistence is not the denial of competition nor an argument for putting producers first; and it differs from live and let live, compromise, or living peaceably. There is coexistence premised on competition over markets."

Again, vice chairman Toyoda, who served as chairman of the Higashi Fuji forum, summarized the discussion there as "coexisting more developmentally in such a form that, mutually accepting one another's differences and continuing dynamic competition, it will be in the interest of all."

Then, what kinds of Japanese business behavior or systems are problems concretely, and what kind of competition do you think we should have?

[Morita] First, it is necessary to make the rules the same. It would not be easy merely to coordinate the rules. That is the case, looking at the GATT, for example. The task of pulling together 100-odd nations with differing conditions is no easy matter.

However, if first it is just the G-7 member nations, for example, might it be possible at least to get a harmonization of rules on industry, leaving agriculture aside? For example, the issues of the high compensation of some U.S. company executives and of working hours. Next, by talking over such things as differences between nations in tax systems, they may be able to adjust them.

[Kume] I think that even if we were to try to compose a general theory of "coexistence" it would take time. Instead, would it not be faster to discuss such concrete ideas as how we all could build cooperative relations for those industries which are a real problem for coexistence with other nations—ideas that all could live with and which would be in the mutual interest of all? If we first seek concrete measures just for problem industries, that might enable us to narrow it down to a coexistence theory.

If we just go on pursuing theories without accomplishing anything, I am afraid Japan will be viewed as talking about "coexistence" just to look good and to provide a cover for pushing ahead overseas.

[Tateishi] Just now, when I spoke of the value of a business existing in a region being a problem, it was because I think it is most desirable that we proceed with probing how Japan and that nation are building a complementary relationship.

Pardon me for speaking of the case of Omron, but we have begun sending technicians to a German sensor maker in the form of an M&A [merger and acquisition]; so, I think there are all sorts of measures, such as furnishing technology in this way, M&A's or simply sales tie-ups.

### Best Way for Coexisting With Developing Nations—Creating Setup for True International Division of Labor

[Utada] Although we use the one word "coexistence," conditions differ between the kind of high-tech industry that Mr. Morita has and industries, for example, like our groceries or textiles. And then, advanced nations and developing nations differ by region. I think they differ even as between big industries and midsized and small industries. For example, on the one hand we move into advanced nations seeking markets, and we mostly move into developing countries production bases. Is it not necessary to have an approach to coexistence dealing with such differences?

To speak concretely about coexisting with developing nations, there are governmental measures like ODA [official development assistance], but industry for its part will contribute very greatly to coexistence through such things as technology transfer and transferring managerial know-how, or developing human resources—for example, nurturing managers for midsized and small business. Also, we may need to go in with the joint-venture formula, even when it includes nurturing our rivals.

[Kume] The NAFTA (North American Free Trade Agreement) is being drawn up just as we are about to see the market unification of the EC. Such regional agreements in a certain sense tend to be quite discriminatory toward other nations. With such big blocs being created on both sides, we fear that Asia will be left in a vacuum in between. Japan will have to take initiatives to ensure that there may be no vacuum, and yet with the kind of cooperative relations we now have, might this not be fruitless?

Mr. Utada said we view developing nations as production bases; but I think that so far there has been the aspect of using them as nations providing cheap labor power. But, what the developing nations want are capital and technology; and I think they are markets where we will sell products created by their industrializing through such means. To make that possible, Japan will have to consider seriously, from the standpoint of a more thorough division of labor, what will be in the other party's interest and what will help the other party stand on its own. If we merely let them do the assembly, we cannot effect any technology transfer, nor any education; nor can we convey management know-how. If we do not, in that sense, go all-out to work Asia into a network as our partner and really build a setup for an international division of labor, I do not think it will become "coexistence" in the true sense.

[Miyoshi] Insofar as possible it would be a horizontal division of labor, not a vertical division of labor. Then it would mean each one standing on his own while interdependence deepens.

[Kume] In the case of automobiles, since most developing nations ban the import of completed cars, our approach so far has been to make just what we could sell domestically there, using the knockdown formula to meet requirements on ratios of domestic content. That way we are neither providing a market at all nor transferring technology.

### Great Responsibility of Top Business

[Miyoshi] What always constitutes a problem in our competition overseas—and this relates also to our discussion just now about ruining or not ruining a rival—is that within Japan many firms are lined up to engage in fierce competition. This is carried overseas without change. Yet, overseas they do not necessarily have such a custom. So, it is taken as very different—a deluge or sometimes like lethal rays. Is there some way to correct this without relying on cartels?

[Morita] The phrase overcompetitive is often used; but I think it is used without precisely analyzing what overcompetitive is.

If overcompetition exists, undercompetition also should exist. What is undercompetition? It is a cartel. On the other hand, what is called overcompetition is selling at prices such that the other party cannot compete: Using one's financial power to set prices so that rivals cannot compete in order to take over the market oneself, and sometimes even cutting prices. By doing this, it becomes that kind of competition for both. That is overcompetition. Cartels are prohibited under Japan's antimonopoly law, and this improper underpricing also is prohibited. Thus, laws banning unfair methods duly exist. There could be no overcompetition if they were properly enforced and if everyone sold at fair prices. So, I think it is valuable to have the laws on competitive measures work properly within the nation so that everyone will play fair.

[Utada] If we do not regulate well our domestic industries when putting into practice coexistence with other nations, there would be the problem—if one firm were being favored—of its being supplanted by other domestic competitors. The operation of the antimonopoly law is also important for regulation. The one thing that must absolutely be avoided is for the government to step in and create so-called managed trade.

It may be in a very roundabout way, but I think the responsibility of top business is very great. First, top business will provide a model. When it does, those next down the line are sure to carry on with that. It may be that, accepting that as good, they will try to increase their share; but when viewed in the medium and long term, it will mean everyone does better. I would like to urge close attention to the responsibility of the top firms.

[Morita] I understand very well why Mr. Utada says top firms have responsibility. That is really true in our industry, too, and I think we must sense such responsibility in certain settings.

### Cooperation Also May Go Well With Competitors

[Miyoshi] I think that forming joint ventures such as technical tie-ups with competitors in the same industry will promote healthy competition, and in actual fact that is being done actively in the automotive and electronics industries, is it not?

[Kume] Our company has built a new minivan with Ford and both of us are selling it. This came about when Ford, hearing that we had begun designing a minivan, came and asked to be cut in on it. In the end, we did all the development: Some pressed components were provided by America Nissan's plant, and final assembly is being done at a Ford plant. There is some discrimination; but it is being sold through both Nissan and Ford channels.

Still, while we receive the development fees for that, we are not getting enough. The reason is that we have been amassing the technology for the past several decades in one form or another for the cars we are making now. Yet, even though that is so, it is no use saying how much we want when they ask how much the trial production cost or what our staffing costs were. In actuality, it is coming out of our own pockets; but we are bearing it, thinking that covering this is our handicap [in the golfing sense of the term]. So, tell them we are helping them, but are insisting that they please let us manufacture and compete freely in the United States. In general, Ford criticizes Japan; but if you ask whether it can single out Nissan separately or specify Nissan in particular in its criticism, it cannot. I feel we are both competiting and cooperating.

[Morita] Even in our industry we actively engage in coexistence in a different sense by cooperating with rival firms and mutually exchanging things. Since Japanese firms very skillfully and quickly make components their rivals want, on the one hand we are competing and on the other we are a very big supplier and so are supplying things to our rivals. Again, since we are buying their parts, are we not in that sense coexisting rather well?

[Miyoshi] When you can have such cooperation even under the conditions of your rivals, including their employment problems, there is good understanding, is there not?

[Kume] Still, it is on the domestic side that competition and cooperation do not go so well as in the United States. When we have a price-cutting war with overcompetition such as we just talked about, it means the one with money—that is, the larger firm—will win. So, I think the sense of fairness must rise a bit higher within Japan. That is why I think the top firms have great responsibility.

[Morita] I think that in any case we can have such a proposal in the Kume committee.

### III. Domestic Coexistence: Japanese Business Should Have Civic Sense

[Miyoshi] Even domestically, the company man and the principle of putting company performance foremost become problems. The term "karoshi" [death from overwork] that ensues from that appears in Japanese in other nations' bibliographies. It has been pointed out that these problems are caused by the logic of business having become divorced from the workers' common sense or sense of values. Concretely, what kind of accommodation is necessary?

[Utada] I think there are both good points and points that should be looked at again in Japanese-style management.

As for the good points, they are, for example, doing facilities investment or research and development from a long-range viewpoint, developing new products by CS [customer satisfaction] management—servicing consumer's ideas well, or doing marketing. One more is the point of, should I say, respecting human nature—going by the idea that particularly the people who are its employees, its stockholders and its customers are a collective and an organism; the company keeping its focus on doing consensus management and activating the vitality of its employees.

On the other hand, what should be corrected here—first as to the macro problems—is that the opening of Japan's markets has certainly been delayed. Government regulation or administrative guidance is excessive, and business has been too dependent on it. Next, when some situation comes up, we have a predisposition to rely on asking that governmental supervisory responsibility or regulation be strengthened a little more.

Next, on the micro front: I can mention that we need to look again at our principle of putting total sales share first, and at the slighting of stockholders. Toward our employees, too, we have been too work centered and have not respected them as individuals. Also, we need to take a second look at fairness, transparency, and, particularly, at keiretsu or groupings. It is said that Japanese are weak in civic awareness; but is not that of business far too weak? I think we must correct such points.

[Tateishi] I think the strengths of Japanese management are as Mr. Utada stated. As to things we should change, should we not be focusing most on the logic of the manufacturer which we have had so far; or in the case of the manufacturer and the consumers, cooperating companies, and so on surrounding him, have not the win/loss relationships been too numerous? I think the biggest thing is how to change the system with so-called win/loss relationships. The biggest problem is that the human costs are being much impeded. Next, I think we must face the fact that the logic of the manufacturer himself has been imposed, we might say willfully, and we must correct that.

As a cause of the gap between the logic of business and society's conventional sense, there is the belief in profits for their own sake or in the supremacy of market share. Then I could also mention that labor-management relations being too good has led, contrarily, to abnormal labor relations, to having demanded too much self-sacrifice. In short, I think we have murdered—ignored—respect for the individual. We have to correct these things.

Having come to see it in this way, we need to shape a new pricing system in a revised form for a world where the human costs come to involve everything else. At the same time, the value sense of consumers and workers has changed considerably, and standards for rating business are quite different from what they were previously. For example, since they have switched from measuring how large the profits, sales, and capitalization are to looking at whether we are meeting our social responsibilities or whether the people working there are happy, we have to be subject to such measurements.

From such viewpoints, we are now drawing up a menu (examples of business behavior so as to be better companies), looking at things like what firms should do, how firms should be so as to operate better than now, what firms should do for a better society, how firms should be for employee ease and affluence.

### Importance of All Employees Always Thinking About Own Actions

[Kume] I think there are three kinds of information that business puts out to society. One is the information it puts out through merchandise. Another is information it puts out through a firm's behavior. Last is the information in the relationships that each employee has with his neighbors. If each of these does not build the best climate, it does not come out as good information. In that sense the responsibility of the top firms is very great.

What I have felt lately is that worker consciousness is changing. For example, at one of our company's plants an employee requested retirement. When we asked what he would do upon retiring, he said he wanted to go off and play whenever he wanted to, and then if he wanted to work again he would apply for work, so please would we then hire him as a temporary worker. The consciousness of workers has changed that much. I think we have to review the ties between company and employee with such things in mind.

Even with products, if you ask whether products are salable merely if they are good, I would say products of a company that is not trusted cannot be sold. So, we have to proceed with the sense that the company itself is the product.

When I was factory manager at our Tochigi plant, the town mayor would speak of "the townspeople" and "the Nissan people." I responded that "Nissan people" are townspeople, too, and that we had not the slightest feeling of creating an exclusive town. At that time, the union had a member in the local assembly; and, from the population of factory employee families at the time, they could have elected four or five. But, the town negotiated with the union not to put up more than one. I believe that in its relations with a town the firm should not take a dominating stance. This cannot be done without leadership from the top.

[Morita] Earlier, I said we do not need to personify European and U.S. firms when we think of them; but on the contrary, I think we must truly personify when thinking about Japanese domestic firms. Companies are earnestly saying that just as humans have character on virtue, firms also have a company character and company virtue.

In the same sense that textbooks do not say that if you do thus and so you will become a man of character, improving company character and virtue is something that naturally emerges through the overall behavior of its people. It is important for all company employees always to consider their own behavior. Company character and virtue become the firm's image. A firm with a fine image has that not merely because of good business performance or a high market share, but because somehow it is likeable. That is something achieved through everyone's efforts. It cannot be done through the efforts of the top man alone. I think a firm's image improves through group effort.

### IV. Points of Contact Between External Coexistence and Domestic Coexistence

### Necessity for Relying on Each Other When Dealing With Something in Common

[Morita] I think that if business behavior follows the same rules globally, we can naturally achieve domestic coexistence. People often speak of a deluge of exports; but I am quite against this term, for we have never forced our customers to buy. Since Japan was the only country that could supply something when everyone wanted it in a certain area, it was exported concentratedly from Japan. So, this is not a deluge of exports but a concentrated absorption of imports that was taking place. However, those on the outside think they have been hit by a laser beam. They are wary because at that time their rival took an approach they just could not compete with. To put it bluntly, that is because the Japanese scale does not match the scale of the market principles which they have.

So, the reason that problems do not arise much between the United States and Europe is that, although they are constantly selling to each other, the scale of their market mechanisms is roughly the same. If Japan also were to get onto that scale and sell within it, problems might stop arising. There might be places where our prices would rise a bit and our sales might decrease somewhat; but we would be using essentially the same sort of scale as our rivals. If each were selling things unique to themselves, it would become possible to apply the same scale within Japan. Then, might not both domestic coexistence and external coexistence emerge naturally?

[Kume] What I have often felt when working overseas is that the awareness or understanding of management in Japan's main offices has not been internationalized. There were times when this became a tremendous obstacle. In that sense, the globalization of operations has to be brought into conformity with the evolution of domestic operations. As to how that can be done, we may have to depend on each other in moving toward something in common—and this would be true for corporation or company rules—so that I think we need to do much more of this.

[Utada] It is not the thought that because the world has changed Japan also must change. I think the world has changed, and Japan also has changed greatly; and we have to interpret it as one great tidal change of the times. Let us also put up a concept vis-a-vis that since we will have to change our management style. When we look at such aspects, we see that domestic coexistence and external coexistence have many points in common.

Although we say that most Japanese enterprises have connections overseas, I think their domestic operations are their core. Still, I think they should not say that because it is domestic it has no connection. If they are making internal managerial reforms, would it not be good to do it having in mind also opening up to the outside on their own accord?

[Tateishi] What is needed from now, as Mr. Morita said earlier, is determining how to conform to the scales of those overseas, and then, whether it is financing or services, each country has its own values; and so, there are amounts saying what those values are worth, which means we have to adapt to such value judgments.

Now, with the management environment changing greatly, if we continue efforts to have consumers, workers, and the public understand the new pricing, I think that when we also take that overseas, we will not get any very odd figures. I do not particularly mean raising prices, but for the world to survive and for us to survive as Japan, these things must be taken on.

### If External Coexistence Goes Well, Internal Coexistence Will Be Facilitated

[Miyoshi] Finally, how should we explain coexistence in countries abroad? I think we will want to do it at every opportunity; but please speak up if you have views on this.

[Morita] It is very difficult to interpret into English. If translated as "symbiosis," it is like biological coexistence. If we call it "coexistence" it somehow seems that we are disavowing competition. Since in Japanese it is a term full of meaning, if we just say "kyosei," its sense has very broad scope. Yet, in English there is no such word. Because there is not, it will be lent to English as the word "kyosei." However, I feel that if we are not very careful in explaining the term "kyosei," we can be very misleading. Can we not have Mr. Kume's committee develop a text explaining "kyosei" correctly in English?

[Kume] Maybe we can only give explanations while interweaving those with concrete measures. I think that as we advance a number of concrete measures we may somehow find a way to get the theory across. After having developed several concrete measures, starting now, might we not see how those can be combined?

I think if external coexistence goes well, internal coexistence also will naturally be facilitated. It is a human trait that there are old fellows who are affable toward outsiders but nasty at home. These days, we have had a change in the times so that when a man is nasty at home his family does not let it pass. So, maybe if the outside is nice the inside also will become nice.

[Miyoshi] Thank you very much.

## Ban Lifted on Coverage of Royal Engagement

*OW0601170793 Tokyo KYODO in English 1457 GMT 6 Jan 93*

[Text] Tokyo, Jan. 6 KYODO—In reaction to foreign news reports about the upcoming royal engagement, the

Japan Newspaper Publishers and Editors Association (NSK) on Wednesday [6 January] evening lifted a self-imposed ban on reporting about the crown prince's search for a bride.

The decision to lift the ban, which was to expire on January 31, was made at an emergency meeting of the heads of 14 NSK member companies in Tokyo. The 15-minute meeting began at 8.00 P.M. and the lifting of the ban took effect at 8.45 P.M., when NHK and commercial television stations broadcast news of the engagement.

The association, which groups Japan's major newspapers and news agencies and the Japan Broadcasting Corp. (NHK), introduced a ban on reporting on the subject for three months in February last year at the request of the Imperial Household Agency, which handles all matters concerning the imperial family.

The embargo request was made to the association to protect the privacy and rights of women thought to be prospective candidates as a bride for the 32-year-old crown prince. The agency insisted that excessive reporting infringed on such women's privacy and rights. The original agreement to a three-month silence was extended three times, for three months each time, in May, August and November last year.

In its Wednesday issue the U.S. newspaper WASHINGTON POST said a royal engagement was imminent and "once again, many suggested that the new princess may be Harvard graduate Masako Owada, an official in the Foreign Ministry."

After the news agencies associated press and REUTERS joined in the speculation about 29-year-old Owada being the most promising candidate to become crown princess, the domestic blackout on one of the most anticipated national events could no longer be maintained.

"The prerequisite for the self-imposed ban has disappeared," Shinichi Hakoshima, chairman of the association said in asking that the embargo be lifted. "It is inconceivable that only Japan cannot report this story."

Hakoshima telephoned Shoichi Fujimori, head of the Imperial Household Agency, to inform him of the NSK's decision, which was reached in a unanimous vote at the meeting. Fujimori said he regretted the lifting of the ban, but acknowledged that the NSK could not help canceling the agreement as the reasons for it have become null and void.

## Miyazawa 'Very Pleased' at Prince's Engagement

*OW0701033193 Tokyo KYODO in English 0240 GMT 7 Jan 93*

[Text] Tokyo, Jan. 7 KYODO—Prime Minister Kiichi Miyazawa said Thursday he is very pleased that crown Prince Naruhito is to marry.

Miyazawa confirmed that the prince, 32, is to marry 29-year-old Masako Owada when reporters called questions to him as he walked past them at his official residence.

The prince's decision to marry Owada, daughter of Vice Foreign Minister Hisashi Owada, was reported by the media Wednesday night.

The engagement will be formally approved at a meeting of the Imperial Household Council on January 19, informed sources said.

The council meeting will be chaired by Miyazawa and attended by nine others, including Emperor Akihito's uncle, Prince Mikasa, and Princess Mikasa, the sources said.

The wedding ceremony could be held as early as late May after a formal engagement ceremony (noosaino-gi) is conducted, they said.

On Thursday morning, Crown Prince Naruhito attended a memorial service together with Emperor Akihito and Empress Michiko and other members of the imperial family to mark the fourth anniversary of the death of Emperor Showa, who died on January 7, 1989.

A large number of reporters from newspapers, news agencies, television companies, and magazines gathered in front of Owada's home in an attempt to get a comment from her and her family.

Owada will be the second commoner to become crown princess, following Empress Michiko. Crown Prince Naruhito's younger brother, Prince Akishino, also married a commoner, Kiko Kawashima, the daughter of a university professor, in June 1990.

# North Korea

## Kim Il-song Receives Libyan Delegation

*SK0401112293 Pyongyang KCNA in English 1033 GMT 4 Jan 93*

[Text] Pyongyang January 4 (KCNA)—The great leader President Kim Il-song today received the visiting delegation of the great Socialist People's Libyan Arab Jamahiriya led by Secretary of Fishery Miftah M. Ku'aybah.

Present on the occasion were Vice-premier Kim Talhyon, Chairman of the State External Economic Affairs Commission Yi Song-tae and the acting secretary of the People's Committee of the People's Bureau of Libya to Korea.

President Kim Il-song conversed with the guests in a cordial and friendly atmosphere.

The head of the delegation conveyed to him a gift from leader of the great September First revolution of Libya Mu'ammar al-Qadhdhafi.

## Kim Tal-hyon Meets Delegation Head

*SK0401053393 Pyongyang KCNA in English 0505 GMT 4 Jan 93*

[Text] Pyongyang January 4 (KCNA)—Vice-premier Kim Tal-hyon met and had a friendly talk Sunday with Secretary of Fishery Miftah Muhammad Ku'aybah, leading a delegation of the great Socialist People's Libyan Arab Jamahiriyah at the Mansudae Assembly Hall.

Present there were Vice-chairman of the State External Economic Affairs Commission Kim Chu-song and the acting secretary of the People's Committee of the People's Bureau of the great Socialist People's Libyan Arab Jamahiriya to Korea.

## Delegation Signs Joint Protocol

*SK0501055093 Pyongyang KCNA in English 0426 GMT 5 Jan 93*

[Text] Pyongyang January 5 (KCNA)—A protocol of the ninth meeting of the Inter-governmental Joint Committee of the DPRK and the Great Socialist People's Libyan Arab Jamahiriya was signed here Monday.

Present at the signing ceremony on the DPRK side were Yi Song-tae, chairman of the State External Economic Affairs Commission, and Chang Pong-yol, vice-chairman of the State Fisheries Commission, and on the opposite side were the members of the Libyan delegation led by Secretary of Fishery Miftah Muhammad Ku'aybah and the acting secretary of the People's Committee of the People's Bureau of Libya to Korea.

## Al-Qadhdhafi Gift to Kim Chong-il

*SK0401112493 Pyongyang KCNA in English 1034 GMT 4 Jan 93*

[Text] Pyongyang January 4 (KCNA)—The dear leader Comrade Kim Chong-il received a gift from Mu'ammar al-Qadhdhafi, leader of the great September first revolution of the great Socialist People's Libyan Arab Jamahiriya.

The gift was handed to an official concerned by the acting secretary of the People's Committee of the People's Bureau of Libya to Korea.

## Kim Chong-il's Work Lauded on Anniversary

*SK0601065093 Pyongyang Korean Central Broadcasting Network in Korean 0000 GMT 3 Jan 93*

[NODONG SINMUN 3 January special article: "Our Party's Leadership Is a Basic Source for Endlessly Glorifying the Dignity of Socialism"]

[Text] One year has passed since the dear leader Comrade Kim Chong-il's work "*The Historical Lesson in Building Socialism and Our Party's General Line*" was published. During the past year this work generated great repercussions among the revolutionary people aspiring to socialism. Today, many revolutionary parties are presenting the Pyongyang Declaration as a program for common struggle and are vigorously struggling to rebuild and advance the socialist movement. This clearly shows the justness and vitality of the ideologies and theories elucidated in this work.

Through today's reality we are elucidating the future road of the socialist cause, which is experiencing trials, through the most correct chuche-oriented strategy and tactic. We are also able to further deeply experience our party's greatness and the leadership's sagacity as they are resolutely advocating and adhering to this cause. Firmly adhering to the socialist cause and advancing it victoriously are very important issues related to man's destiny.

Comrade Kim Chong-il, member of the Presidium of the Workers Party of Korea [WPK] Central Committee Political Bureau and secretary of the party Central Committee, has pointed out: Learning a lesson from today's prevailing situation; rebuilding the socialist movement on a new basis; and leading the socialist cause to an upsurge, are being put forth as pressing historical tasks.

The socialist cause is the most just cause in realizing the independence of the popular masses. Moreover, for man to advance toward socialism is a rule in historical development that cannot be prevented. There can be twists and turns in the process of socialist development, but this fundamental direction in historical development cannot by any means change.

During the last few years socialism was frustrated, and capitalism returned in some countries. This is of course a great loss in fulfilling the socialist cause. Nevertheless, as the dear leader Comrade Kim Chong-il has taught, viewed from the basic flow of historical development, this is only temporary.

The socialist cause is advancing resolutely, and it is man's unchangeable intention and ideal. The problem lies in how to learn a lesson in the historical struggle of the socialist movement; how to adhere to the revolutionary cause; and how to promote man's advance and progess toward socialism. This is the most important task for the era and for the men of the revolutionary parties of the working class and communists.

Today our party is deeply aware of the historical mission facing the socialist cause and is vigorously carrying out the struggle to advocate and adhere to socialism. Our party's position to endlessly treasure the honor and dignity of socialism, and struggle to the end for the ultimate victory of socialism, which is in accordance with the intention and expectation of the revolutionary people, are always firm.

The dear leader Comrade Kim Chong-il made public his work, "The Historical Lesson in Building Socialism and Our Party's General Line," thus vigorously encouraging the struggle of the revolutionaries and people aspiring to socialism. This clearly shows our party's lucid revolutionary position.

The great achievements performed by our party in the struggle to advocate and adhere to the socialist cause are primarily in summing up the historical lesson of the socialist movement of our era and in providing an ideological and theoretical guideline in newly advancing this cause.

The revolutionary struggle of the working class is intensified and developed to a new high stage based on the lesson and experience which is confirmed through practice. The historical lesson of the revolutionary struggle is a universal truth to which future struggles should adhere. This guideline will make it possible to overcome possible vicissitudes. Therefore, it is very important to correctly sum up the past historical lesson in establishing and implementing the line and policy of the revolution and construction.

In the past, our party keenly analyzed the large and small events that occurred in the world's political arena and socialist movement. Based on this our party put forth a correct guideline to bring about an upsurge in the revolutionary movement. Recently, when a complicated situation occurred in which some socialist countries collapsed, our party correctly elucidated its cause and sagaciously elucidated a valuable truth which should be endlessly regarded as a guideline for the road toward socialism.

Strengthening the main force in socialist building and endlessly enhancing it his a lesson that is a most correct truth based on the principle of the history of man-centered, chuche-oriented society, which differs fundamentally from the old materialistic view on the history of society.

With our party's clear elucidation of the firm logic of the historic lesson of socialist construction, the people—who were confused ideologically by failing to correctly grasp the real situation—have been able to find a clear way for reviving socialism. The historic lesson in building a socialist ruling party has also been clearly elucidated by our party. The socialist ruling party has collapsed in many countries because it failed not only to consolidate its organizational and ideological basis and its foundation among the masses, but also to adhere to the revolutionary principles of party building. Our party's ideology and theory of firmly defending the purity of the socialist ideology and correctly solving the issue of inheriting leadership to build the genuine revolutionary party of the working class are indeed of great significance today in advancing the cause of building a revolutionary party and the cause of socialism.

The valuable lessons of the revolutionary movement elucidated in many documents of our party, including the document, "The Historical Lesson in Socialist Construction and Our Party's General Line," have become the guiding principles which guarantee the final victory of the socialist cause. As a common struggle program of the revolutionary movement of our times, the Pyongyang Declaration aroused great sympathy from more revolutionary people because the declaration was based on these valuable lessons. The new struggle of leaders of numerous parties aspiring to socialism based on the Pyongyang Declaration, and their praise of the ideology, clarified by our party in many documents as a most wise conclusion and as a universal truth of human society, is by no means accidental.

Another great achievement our party has registered in the struggle to safeguard and defend the socialist cause is the practical contribution made to advance the socialist movement by creating a brilliant model for socialist construction. It is vitally significant that each country properly carry out socialist construction not only to achieve the fatherland's grandeur and prosperity, but also to promote mankind's overall cause of independence. Proving before the world the great superiority and might of socialism as a reality, is the most important epochal mission which the party and people constructing socialism have in the world's revolution.

Today when socialism has been frustrated in some countries, the international social circles are paying attention to the revolutionary parties and people who are advancing, holding aloft the banner of socialism. The world's revolutionary people, while expressing their great confidence to the party and people of our country, ardently hope that they will give fuller play to the superiority of socialism. Our party is the invincible party which has led the protracted and arduous revolutionary struggle for socialism on an ever-victorious single road. It is also the dignified revolutionary party which has vigorously demonstrated the might of socialism in reality.

Our party shoulders a heavy mission before our era in history and is making a vigorous struggle to consolidate and develop socialism of our style and give full play to its superiority. Our party is particularly concentrating the greatest efforts on defending and carrying through the general line of socialist construction set forth by the great leader.

The most scientific and revolutionary line, our party's general line of thoroughly carrying out the three revolutions—ideological, technological, and cultural—while strengthening the people's power and endlessly enhancing its function and role, has extensively elucidated the inevitability of socialist construction and the principles and methods which should be adhered to in the course of construction. This revolutionary line clearly shows ways to carry out the ideological remolding work and the nature-remaking work—basic issues in socialist construction—without any deviation and to manage and operate the whole society in conformity with the intrinsic demands of socialism.

The invincible might of our own style of socialism has been guaranteed by the correctness and truthfulness of this general line which our party has firmly grasped and consistently carried out. Thus, our party has been able to build a most superior, popular, masses-centered socialism in this land, which accords with the aspiration of the times and the inherent demands of socialism.

Our socialism is the most sound socialism under which all the people are single-mindedly united around the party and the leader. It is also a strong socialism, which is developing on the strong basis of independence, self-reliance, and self-defense, and is displaying its grandeur as the people-oriented socialism which extensively brings the people's independent and creative life into bloom. Thus, our Korea is called a fortress of socialism because our socialism serves as living proof of the unparalleled role socialism plays for the nation and the people.

Through the present reality of our country and the complicated situation in our socialist movement, today's revolutionary people have come to deeply understand the historic truth that defending socialism will win victory, and renouncing it will bring about death. Our party's achievements of deeply implanting this valuable truth along with the practical successes of the revolution and construction in the people, and vigorously inspiring them to struggle for the rebuilding of the socialist movement, cannot be praised enough.

The achievement our party has registered in the struggle to advance and consummate the socialist cause is also that it has defended the socialist cause by resolutely smashing the imperialists' antisocialist maneuvers. The socialist cause inevitably presupposes the fierce struggle against all sorts of class enemies, including the imperialists. The high dignity of socialism does not appear spontaneously, but shines only amid this arduous and protracted struggle.

The arrow of the imperialists' antisocialist maneuvers today is directed at the revolutionary countries which are advancing upholding the banner of socialism. As a result of this, these revolutionary countries have become the critical frontline in the anti-imperialist struggle.

Today, at a time when a serious and formidable fight between socialism or capitalism is being waged, it is, in fact, by no means easy to continuously defend the revolutionary banner of socialism. However, political, economic, military, and diplomatic offensives and pressure by imperialists cannot block the revolutionary will of our party and people to defend the socialist cause to the end. Our party is vigorously accelerating socialist construction, bravely fighting the enemies' counterrevolutionary offensive with a revolutionary offensive of outstanding strategies and tactics that firmly rely on the strength of our people who have been firmly united as one mind around the party.

The resolute revolutionary principle and the anti-imperialist stand that our party has adhered to in the course of firmly defending socialism are invariable and have become firmer with each passing day. Our party has led revolution and construction in all circumstances in adherence to the firm stand that the basic principle and idea of socialism will remain constant throughout changes in circumstances and conditions of revolution and construction.

The international revolutionary movement's heartrending lesson that conceding or retreating just one step from the principle of socialism results in concessions or retreats of 10 or even 100 steps which in turn entails a loss of precious revolutionary gains, vividly demonstrates the importance of our party's adherence to such a revolutionary stand. Such a resolute working class stand has prevented the reactionary ideology and culture that imperialists advertise from setting foot in any field of the revolution and construction in our country. Our party has exhibited a model for bravely fighting the imperialists' increasingly unscrupulous counterrevolutionary maneuvers so as to defend socialism. This is precisely the great achievement that our party has registered on the road of vigorously promoting mankind's advance toward socialism. This great acheivement in advancing the socialist cause was made possible by the party's power and invincible leadership ability.

Comrade Kim Chong-il, member of the Presidium of the Political Bureau of the WPK Central Committee and secretary of the party Central Committee, has indicated: Leadership in the socialist cause can be outstandingly guaranteed only when an outstanding leader is put at the center of the leadership. For the people, there is no greater fortune than receiving the leadership of the leader [suryong] who has won absolute confidence from the popular masses following the immortal achievement he registered with his brilliant wisdom, excellent leadership ability, and noble character.

The work of vigorously advancing the socialist cause in conformity with the demands of the times is to be carried out by the great leader [yongdoja]. The historic truth regarding the decisive role of the leader [suryong] in the working class' revolutionary struggle remains as it was at the inception of socialist ideology, at the first socialist revolution's victory, as well as today when the socialist cause has come far.

The victories and successes in our people's socialist construction and its promising future cannot be thought of apart from the leadership of the dear leader Comrade Kim Chong-il who is leading our revolution at the forefront with an indomitable fighting spirit and excellent leadership ability.

The most important leadership trait of our party, which is victoriously leading the socialist cause of our times, is firm faith in socialism. The socialist cause can be brilliantly pioneered by justness and by solidifying ideology and faith.

Historic lessons of socialist construction show that economic and military strength become dispirited, no matter how strong, when ideology and faith degenerate.

But one can hold fast to the banner of the revolution under any circumstances when one's ideology and faith are strong.

Our party's iron-firm faith, hardened through a long historic struggle, will never regress even one step on the chuche road—the road of socialism—that it has chosen, no matter how complicated the situation and no matter how severe the trials that come in the course of revolution and construction. With this firm faith, our party is now creating a brilliant heroic epic of the nineties.

Our socialist system is the most valuable revolutionary gain. Our people achieved it through blood and sweat during an arduous struggle of dozens of years. Our party's resolution and will not to concede it to anyone is now being completely embodied in its leadership for economic construction and party building.

Our party vigorously roused all of the people to the great revolutionary upsurge by presenting the new militant slogan "Let us further glorify socialism of our own style with the strength of single-minded unity" now that the imperialists' counterrevolutionary maneuvers have unprecedentedly been intensified. This clearly shows how firm and thorough our party's faith in socialism is.

Our party is also an ever-victorious revolutionary party that is able to brilliantly solve whatsoever problems arise in the course of implementing the socialist cause, with its wisdom, insight, and mature, seasoned leadership.

Today's environment for implementating the socialist cause is totally different from the past. Today's reality, when the struggle to rebuild the socialist movement on a new basis continues vigorously, poses many theoretical and practical problems which were unforeseeable in the past.

Therefore, in order to vigorously push ahead with the socialist cause, intensifying and embodying the theory of socialist revolution in accordance with today's environment, while firmly holding fast to the working class's basic interest, is more important than anything else. Only the great party with brilliant scientific and theoretical wisdom and invincible leadership is capable of performing this enormous task.

Out party has unparalleled, excellent ideological and theoretical wisdom. Our party's wisdom is extraordinary scientific wisdom that makes it possible to grasp correctly the nature of any problems, no matter how intricate, and to give timely, clever answers to them. It is also elevated, creative wisdom with which the party can constantly pioneer new stages of the developing revolutionary theory, without being tied to any preceding theories.

Our party's energetic ideological and theoretical activities characterized by independence, creativity, innovation, and succession are enriching still more the theory of building socialism of the working class as a new ideological and theoretical asset.

These ideologies and theories are guidelines elucidating the course for the people who are rising to rebuild socialism and for the revolutionary people who are exploring ways to find a new struggle road.

Our party has extraordinary potential for development and the ability to organize skillfully. This make it possible for our party to lead the revolution and construction to endless upsurges. In all problems arising in the revolution and construction, such as the struggle to smash the imperialists' aggressive maneuvers or the struggle to remake nature, our party solves them through the chuche leadership art by strengthening .he main force of the revolution and by thoroughly being in conformity with it.

Our party's revolutionary leadership art, which scientifically analyzes the prevailing situation and relations in its influence; presents at the appointed time the correct slogan, strategy, and tactic; and moves the whole party, all the people, and the whole army as one, is indeed a fundamental source for all miracles in socialist Korea [choson].

Because of our party's skilled and refined strategic and tactical leadership, which had a correct understanding of the imperialist enemies' anomolies and weak points—who indulged in bravado and bluster—and daringly attacked to keep the enemies on the defensive by retaining the initiative, it was possible not to yield the lifeline of socialism of our own style regardless of the imperialists' concentrated offensive.

Our party, the most mighty revolutionary vanguard unit of the working class, firmly established the succession of single-hearted unity generation after generation. The party's cohesion and unity is the life of the party and the source of its might. It is important to have cohesion and unity of the party and the revolutionary ranks at any time the party exists, but it is needed more acutely when the generation of the revolution is changed and the enemies' reactionary offensive becomes stronger.

Long ago our party already completed the historical task of achieving cohesion and unity, the most important issue in the building of the socialist ruling party. However, dissatisfied with this, our party intensified the work to strengthen the single-hearted unity in accordance with the demand of revolutionary development. Therefore, a firm guarantee for passing on the party's cohesion and unity generation after generation was provided. Here lies the secret enabling our party to vigorously carry out the struggle to succeed and complete the socialist cause, even in times like these, without the slightest wavering.

Today, revolutionary fighters are firmly united around our party. These revolutionary fighters aspire to plow through to the end the revolution's road of 10,000,000-ri in accordance with the leadership of the party and the leader. They also have endless loyalty toward the chuche socialist cause. They become fortresses and shields safeguarding the party and the leader. Aspiring to become a shock brigade adhering to the socialist red flag to the end, they are tactically struggling to fulfill the party's revolutionary line without hoping for any kind of comfort.

Many meetings, including the recent Korean intellectuals' meeting and the national families of martyrs meeting, plainly demonstrated the revolutionary determination and enthusiasm of our party members and working people who are trying to uphold our party and thus walk along a single road of socialism. Whether we can consolidate the organization and ideology of the party and revolutionary rank depends on how we overcome the antisocialist current surging in from outside. Our party does not allow the slightest room for alien ideologies like revisionism, dogmatism, and flunkyism, which gave rise to harmful consequences in constructing the socialist ruling party, to gain a foothold.

The WPK has never been contaminated by antisocialist ideology and invariably keeps its ideology pure. This is the WPK's great pride. Only such a party can become the banner of the times, firmly adhering to the banner of socialism.

A long time has passed since the party of the working class appeared in history. During this time, the communist and workers parties of many countries have made unique contributions to accelerate the cause of socialism. Today's changed environment and situation demand that our party uphold the banner of revolution and lead the difficult and enormous revolutionary mission called the reconstruction and consummation of the cause of socialism.

Our party has an unerring faith in and endless loyalty to the cause of socialism. It has invincible might and leadership. Our party will carry out to the end the historic mission bestowed upon it by the era and will therefore meet our popular masses' great expectation superbly.

Our people's loftiest duties are to cherish the great glory of having the great leader [yongdoja] and advance and consummate the cause of chuche-oriented socialism to the end. The people's greatest luck is having the great leader [yongdoja], who will lead the destiny of the youth and the people. Their greatest misfortune would be to have the wrong leader. This is the truth the people of our era have learned with all their heart through the two opposite realities called the prosperity and frustration of socialism.

Because our people uphold the outstanding leader [yongdoja], who has absolute authority because of the greatness of his ideology and theory, his great leadership, and his great noble character, they are happy and have not been through the slightest turns and twists in constructing socialism. Furthermore, they can become proud people in the spotlight of the times and endlessly add luster to the dignity of socialism. We should not forget this glory and happiness, uphold the dear leader of our party and people Comrade Kim Chong-il as the guiding star of our socialism, and be loyal to the party's leadership to the end.

One year has passed since the document "*The Historical Lessons in Building Socialism and Our Party's General Line*" was published. Since then, the might of our party, which leads the cause of socialism to an evervictorious single road, has been vigorously demonstrated. The last year has shown that our party members and working people cherished the following firm faith: As long as we have the great party's leadership, we have no enemy to fear; no matter how difficult the cause of revolution may be, there is nothing we cannot do. This faith is as valuable to our people as their lives, as they proceed along the road of arduous struggle for socialism.

Our party members and working people will firmly cherish the faith of chuche and faith in socialism and continue to vigorously walk along the road of socialist victory in accordance with our party's leadership under any circumstances.

## Reports Indicate Increasing Industrial Production

### Coal, Forestry, Fertilizers

*SK0601104593 Pyongyang KCNA in English 1021 GMT 6 Jan 93*

[Text] Pyongyang January 6 (KCNA)—Production is on the rise at different units of the national economy of Korea in the new year.

From the first day of the new year the Anju district coal mining complex has boosted the daily amount of capital tunnelling 20 percent, preparatory tunnelling 30 percent and coal output 30 percent above last year's daily average.

The forestry stations under the Ministry of Forestry have produced much more timber than in the same period last year through a collective innovation these days.

The South Pyongan Provincial Forestry Management Bureau including the Tokchon and Yangdok prop production stations are overfulfilling timber production quotas every day by introducing rational work methods.

The Sunchon nitrolime fertilizer combine has lifted the daily fertilizer output 20 percent as against the results in the same period last year by keeping production on a high level.

The builders of apartment houses for 30,000 families in the capital are also overfulfilling their daily plans.

## Coal Industry Responds

*SK0601054693 Pyongyang KCNA in English 1511 GMT 5 Jan 93*

[Text] Pyongyang January 5 (KCNA)—The New Year address of the great leader President Kim Il-song is evoking great repercussions upon party members and working people.

Han Pong-chun, vice-minister of the coal industry, said:

In his New Year address, the great leader, defining the coal industry as one of the main links on which we must concentrate our efforts in the economic construction, set forth a militant task to give definite precedence to the coal industry. We will secure many coal cutting faces by concentrating much efforts on giving definite priority to the tunnelling as demanded by the party's policy and attain a high and steady rate of production by tapping reserves for production and conducting a vigorous mass technical innovation movement, he said.

[Words indistinct], director of the production guidance department of the Ministry of Metal Industry, said:

The might and potentials of metal industry in our country are tremendous. Officials in the sector of metal industry will further perfect the chuche-based method of iron and rolled steel production and direct great efforts to giving precedence to the supply of raw materials and fuel [word indistinct] to steadily increase the production of iron and rolled steel.

Yun Son-hui, secretary of the primary party committee of the Kusong textile mill in North Pyongan Province, said:

To carry through the party's policy of effecting a revolution in light industry is a worthwhile work to bring the great advantages of our style socialism centered on the popular masses into full play. The workers of the mill will make a vigorous drive to produce more good-quality cloth.

No Yong-ik, chief engineer of the Mangyongdae district cooperative farm management committee, Pyongyang, underscored the need to energetically organise and coordinate agricultural production to bring about great innovation in the production of meat, vegetables, fruit, cocoon as well as grain and mi [as received] this year a bumper year, so as to bring a great joy to the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il.

Kim Yong-sop, chief secretary of the Unchon county, South Hwanghae Province, committee of the Workers' Party of Korea, said that officials of the county party committee and leading personnel of the county would carry out all tasks set forth in the New Year address by dynamically pushing ahead in a fresh style party organisational and political work to rouse the masses to struggle and feats.

## 'Great Upsurge'

*SK0501105193 Pyongyang KCNA in English 1015 GMT 5 Jan 93*

[Text] Pyongyang January 5 (KCNA)—A great upsurge has been reported from industrial establishments of Korea entering this year.

The Sunchon cement complex carried out the first day's assignments at 106.9 percent and is now expanding the success.

The first day's output at the Hungnam fertilizer complex was 20 percent up in ammonia and 50 percent up in gas ammonia on the daily average last month. It is now maintaining fertilizer production on a high level.

The Nampo smelting complex and the October 13 youth smeltery have set themselves the goal of fulfilling their first monthly plans ahead of schedule and are now creating new records and new norms by keeping all the production processes in full-capacity operation.

## KCNA Cites Additional Reports

*SK0401110693 Pyongyang KCNA in English 1027 GMT 4 Jan 93*

[Text] Pyongyang January 4 (KCNA)—A signal upsurge in production is being effected in different domains of the national economy of Korea in the new year.

The coal miners across the country who are in charge of the vital domain of the national economy have lifted coal production to a high level by operating the coal-cutters in full capacity from the first day of the year.

The Kujang district coal mining complex hit the first day's target which was set high at 101 percent and the Pukchang district coal mining complex at 102 percent.

The iron and steel works under the Ministry of the Metal Industry turned out much more iron and steel than their assignments.

The Chollima steel complex topped the first day's target 37.4 percent.

The Kim Chaek and Hwanghae iron and steel complexes fulfilled their daily plans of pig iron production at 101 percent.

The Pyongyang thermal power complex honored the commitments for the first shift at 100.8 percent. Other power producers across the country keep their equipment in full-capacity operation from the beginning of the year to boost power production.

The locomotive corps under the General Bureau of Western Railways hauled 10,000 more tons of freight than the rated haulage capacity to fulfil the first day's transport plan at 101.5 percent.

### Korean Associations in Japan Greet Kim Chong-il

*SK0301091193 Pyongyang KCNA in English 0832 GMT 3 Jan 93*

[Text] Pyongyang January 3 (KCNA)—The dear leader Marshal Kim Chong-il received messages of greetings on the occasion of the New Year of 1993 from the Standing Council of the Federation of Korean Traders and Industrialists in Japan, the Central Standing Committee of the League of Korean Youth in Japan, the Central Standing Committee of the Democratic Union of Korean Women in Japan, the Central Standing Committee of the Union of Korean Teachers in Japan, the Standing Council of the Central Educational Association of Koreans in Japan, the Standing Council of the Federation of Korean Credit Associations in Japan, the Central Standing Council of the Association of Korean Social Scientists in Japan, the Central Standing Council of the Scientific and Technological Association of Koreans in Japan, the Central Standing Committee of the Union of Korean Literary Men and Artists in Japan, the Central Standing Committee of the Union of Korean Students Studying at Japanese Schools, the Standing Council of the Federation of Korean Buddhists in Japan, the Association of Peaceful Reunification of Koreans in Japan and other Chongnyon organisations and bodies, CHOSON SINBO, the Korean news service, the Kuwol Sobang publishing house, the Kumgangsan Art Troupe, the Korea-Japan Export and Import Corporation, the Tonghae Trading Company, Ltd., Korean Special Products Sales Ltd., the Kumgang Insurance Company Ltd. and other enterprises, local headquarters of Chongnyon, the Central Institute of Chongnyon, Choson University and other Korean schools in Japan and Koreans of different strata.

The messages express their firm resolution to devote everything to the patriotic work of Chongnyon, holding the dear leader in high esteem.

They sincerely wish marshal Kim Chong-il good health and long life.

### WPK Greets Argentine Communist Party

*SK0601055193 Pyongyang KCNA in English 2255 GMT 5 Jan 93*

[Text] Pyongyang January 5 (KCNA)—The Central Committee of the Workers Party of Korea [WPK] today sent a message of greetings to the Central Committee of the Communist Party of Argentina on its 75th birthday.

The message says the Communist Party of Argentina has conducted in the past an energetic struggle for the democratisation of society and the vital interests of the working masses under the unfurled banner of anti-imperialist independence and socialism.

We take this opportunity to express the belief that the friendly and cooperative relations between our two parties will further expand and develop in the idea of independence, peace and friendship and wish you great success in your work for the independent and democratic development of the country and for the expansion and strengthening of the party, it says.

### SDP Statement Supports Kim Il-song Speech

*SK0501052993 Pyongyang KCNA in English 0432 GMT 5 Jan 93*

[Text] Pyongyang January 5 (KCNA)—Yi Kye-paek, chairman of the Central Committee of the Korean Social Democratic Party [SDP], in a statement Monday said that the policy of achieving national reunification by applying the principle of national independence put forward by respected President Kim Il-song in his New Year address is vital to, and a bedrock of, the settlement of the question of reunification.

The scheme of the South Korean authorities to resume the "Team Spirit" joint military exercises against the DPRK with the United States in the new year is an unpardonable anti-national criminal act to deny the principle of national independence, incite national confrontation and destroy the fellow countrymen by relying on outside forces, he said, adding:

The South Korean authorities, taking the stand of national independence, must free themselves from the interference and control of the United States and immediately revoke the plan of the "Team Spirit" joint military exercises that lay obstacles in the way of North-South dialogue and go against independent and peaceful reunification.

The countries concerned can fulfil their shares of responsibility and duty before history only when they take the stand for solving the Korean question fairly in compliance with the demand of the times and the principle of international justice.

The Korean Social Democratic Party [SDP] will in the future, too, make all sincere efforts to achieve national reunification in the 90's by applying the idea of reunification based on national independence set forth by respected President Kim Il-song.

### Chondoist Leader Supports Kim Il-song

*SK0601043893 Pyongyang KCNA in English 0408 GMT 6 Jan 93*

[Text] Pyongyang January 6 (KCNA)—Chong Sin-hyok, chairman of the Central Committee of the Chondoist Chongu Party, in his statement January 5 expressed full support for the principle of national independence indicated by the great leader President Kim Il-song in his new year address, saying it is a basic guideline of the reunification movement which entirely conforms to the nature and essence of national reunification and to the demand and the interests of our nation.

He said:

Though the South Korean authorities signed the North-South agreement and the joint declaration on denuclearization last year, they have refused to implement them to curry favor with the United States. Their decision to resume the "Team Spirit" joint military exercises is an anti-national criminal act to gratify their wild ambition for "unifying the country by prevailing over communism" through the extermination of the fellow countrymen with the backing of outside forces.

If the South Korean authorities truly want reunification, they must stop flunkeyist acts at once, take the stand of national independence and honestly implement the North-South agreement and the joint declaration on denuclearization, not reading others' mind.

They must show sincerity in reconciliation and unity of the nation and in the progress of North-South dialogue, not staging the "Team Spirit" against fellow countrymen in league with outside forces.

Those countries responsible for the question of Korean reunification must renounce the one-sided policy of the cold war period, the policy of threatening us militarily and putting economic pressure on us, while interfering in the internal affairs of our nation, and positively cooperate with our nation to satisfactorily solve the reunification question.

The Chondoist Chongu Party will as ever make efforts for the realisation of the proposal for reunification through confederacy which embodies the principle of national independence and staunchly fight against the separatist forces standing opposed to the principle, he declared.

## South Urged To Seek 'National Independence'

*SK0401055493 Pyongyang KCNA in English 0515 GMT 4 Jan 93*

["Vice-president Pak Song-chol Urges South Korean Authorities To Pursue Policy of National Independence"—KCNA headline]

[Text] Pyongyang January 4 (KCNA)—If the South Korean authorities truly intend to solve the reunification question in accordance with the national ideal, they must renounce the policy of dependence on foreign forces and turn to a policy of national independence, though belatedly, not join foreign forces against fellow countrymen, dancing to their tune, but take the stand of faithfully implementing the North-South agreement, joining hands with fellow countrymen, said Pak Song-chol, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and vice-president, in a statement on January 3.

Noting that the great leader President Kim Il-song in his new year address for 1993 stressed the need to achieve national reunification, on the principle of national independence, he said:

Talking about dialogue and reunification while denying the principle of national independence is a mockery of and insult to the nation. In the final analysis, it means denying reunification.

The great leader said in his new year address if anyone takes a sincere attitude to really settle the question of the country's reunification on the standpoint of national independence, we will meet him or her, without questioning his or her past, and discuss the question of national reunification openmindedly and make joint efforts to realize the cause of the country's reunification.

This is a manifestation of his magnanimity and tenderest heart to give even those who had committed errors in the past an opportunity of setting out on the road of patriotism.

In the new year address, the great leader said that the question of Korea's reunification is a national issue which our nation should solve as the motive force and, at the same time, it is an international one for which the countries concerned should take responsibility and cooperate in every possible way.

The division of Korea is an outcome of the cold war imposed on the Korean nation by outside forces against its will. The countries concerned, therefore, must assume the responsibility and cooperate in putting an end to it.

To this end, they must renounce their outdated policy of the cold war era as required by the present time and as desired by the Korean nation.

Threatening us militarily and putting economic pressure on us is not an attitude for clearing away the aftereffect of cold war; it is an act running against the trend of the times and the will of the Korean nation.

When the United States, Japan and other countries concerned sincerely help the Korean nation solve the Korean issue by its own efforts in compliance with the demand of the times and the principle of international justice, they will be able to fulfil their shares of responsibility and duty in the Korean question; this will also have a favourable influence on the improvement of the relations between our country and these countries.

I call on all Koreans in the North, South and overseas that love the country and the nation to actively turn out in the nationwide struggle to reunify the country with the nation's own efforts from the stand of national independence in hearty response to the policy of national reunification put forward by the great leader in the new year address.

I express the expectation that the progressive people of the world who cherish justice and peace will render unsparing support and encouragement to the Korean people's struggle for national reunification.

## Kim Il-song Greetings From Foreign Leaders

*SK0501051993 Pyongyang KCNA in English 0417 GMT 5 Jan 93*

[Text] Pyongyang January 5 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers Party of Korea [WPK] and president of the Democratic People's Republic of Korea, received messages of greetings from foreign party and state leaders on the occasion of the New Year 1993.

The messages came from President of the Republic of Benin Nicephore Soglo, President of the Democratic Republic of Sao Tome and Principe Miguel Trovoada, President of the Republic of Seychelles France Albert Rene, President of the Republic of Cote d'Ivoire Felix Houphouet-Boigny, Chairman of the Workers World Party of the United States Sam Marcy, Chairman of the Danish Workers' Party, Common Cause Preben Moller Hansen, General Secretary of the United Force Party of Guyana Peter Passad, General Secretary of the "New Alternative" of Venezuela Guillermo Garcia Ponce and General Secretary of the Central Committee of the Communist Party of Venezuela Trino Melean.

The messages offer warm greetings to President Kim Il-song on the New Year and express the belief that friendship, solidarity and cooperative relations between Korea and their countries and between the WPK and their parties will grow stronger and develop.

They wish President Kim Il-song good health and long life.

### Further Greetings

*SK0601043593 Pyongyang KCNA in English 0402 GMT 6 Jan 93*

[Text] Pyongyang January 6 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and President of the Democratic People's Republic of Korea, received messages of greetings on the occasion of the new year 1993 from Muhammad Abdelaziz, president of the Saharan Arab Democratic Republic and General Secretary of the Polisario Front; Bhumibol Adulyadej, King of Thailand; Llewelyn John, leader of the People's Democratic Movement of Guyana; Gus Hall, National Chairman of the Communist Party of the United States of America; Alberto Moreno, General Secretary of the Central Committee of the Communist Party of Peru (Red Motherland); and Rolando Brena Pantoja, chairman of the National Executive Committee of the Left Revolutionary Union of Peru.

The messages offer warm greetings to President Kim Il-song on the New Year and wish him good health and long life.

## Koreans in Japan Send Kim Il-song Greetings

*SK0401052193 Pyongyang KCNA in English 0503 GMT 4 Jan 93*

[Text] Pyongyang January 4 (KCNA)—The great leader President Kim Il-song received messages of greetings from compatriots under the influence of the South Korean Residents Association in Japan (Mindan) residing in Tokyo, Osaka, Hokkaido, Kyoto, Hiroshima and other parts of Japan and South Koreans staying in Japan on the new year 1993.

The messages warmly congratulate President Kim Il-song, the sun of the nation, on the new year and sincerely wish him long life in good health.

## Kim Il-song Meets Korean Students From Japan

*SK0301231793 Pyongyang KCNA in English 1032 GMT 2 Jan 93*

[Text] Pyongyang January 1 [date as received] (KCNA)—The great leader President Kim Il-song met the home-visiting group of students of Choson University and the Art Troupe of school children in Japan under the General Association of Korean Residents in Japan (Chongnyon) staying in the socialist homeland on December 31.

The Korean School Children in Japan presented bouquets of flowers to President Kim Il-song and extended New Year greetings, wishing him good health and long life.

President Kim Il-song had a cordial talk and posed for a photograph with them.

## Kim Chong-il Receives Foreign Leader Messages

*SK0501115193 Pyongyang KCNA in English 1029 GMT 5 Jan 93*

[Text] Pyongyang January 5 (KCNA)—The dear leader Comrade Kim Chong-il received messages of greetings on the occasion of the new year 1993 from Muhammad Husni Mubarak, president of the Arab Republic of Egypt; France Albert Rene, president of the Republic of Seychelles; Blaise Compaore, president of Burkina Faso, head of state and president of the Council of Ministers; and Sam Marcy, chairman of the Workers World Party of the United States.

The messages offer warm greetings to Comrade Kim Chong-il on the new year and express the belief that friendly and cooperative relations between Korea and their countries and the Workers' Party of Korea and their parties will develop in the future, too.

They wish Comrade Kim Chong-il good health and long life.

### Egyptian President Sends Kim Chong-il Message

*SK0401091593 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 2 Jan 93*

[Text] The dear leader Comrade Kim Chong-il received a New Year's message from Muhammad Husni Mubarak, president of the Arab Republic of Egypt.

The congratulatory message is as follows:

Pyongyang

To Your Excellency Kim Chong-il, member of the Presidium of the Workers Party of Korea Central Committee Political Bureau, secretary of the party Central Committee, and supreme commander of the Korean People's Army:

I am very happy to extend my sincere and warmest congratulations to Your Excellency on the occasion of the New Year. I hope the New Year will be happy and prosperous for the friendly people of your country and the people all over the world.

I sincerely wish Your Excellency a long life and good health. Also, I sincerely wish the friendly people of your country happiness and prosperity.

I pay my most lofty respect to Your Excellency.

[Signed] Muhammad Husni Mubarak, president of the Arab Republic of Egypt
[Dated] 25 December 1992, Cairo

### Koreans in Japan Send Kim Chong-il Message

*SK0401110393 Pyongyang KCNA in English 1018 GMT 4 Jan 93*

["Greetings to Comrade Kim Chong-il From Mindan Living Compatriots and South Koreans"—KCNA headline]

[Text] Pyongyang January 4 (KCNA)—The dear leader Comrade Kim Chong-il received messages of greetings from compatriots under the influence of the South Korean Residents Association in Japan (Mindan) residing in Tokyo, Osaka, Kyoto, Hiroshima and other parts of Japan and South Koreans staying in Japan on the new year 1993.

The messages extend warm greetings and congratulations to Comrade Kim Chong-il, the lodestar of the nation, on the new year 1993 and wish him good health and long life.

### WPK CC Receives 'Solidarity Letters'

*SK0401112793 Pyongyang KCNA in English 1023 GMT 4 Jan 93*

[Text] Pyongyang January 4 (KCNA)—Solidarity letters came to the Central Committee [CC] of the Workers' Party of Korea [WPK] from General Secretary of the Central Committee of the Algerian National Liberation Front Abdel Hamid Mehri and Chairman Vasos Lyssaridhes, and General Secretary Ioannakis Omirou of the Central Committee of the Socialist Party of Cyprus, which denounce the decision of the United States and the South Korean authorities to resume the "Team Spirit" joint military exercises. Abdel Hamid Mehri says that the "Team Spirit" is a very provocative military exercise to deliberately break up the inter-Korean high-level talks, bring the situation in the Korean peninsula and Asia to an extreme pitch of strain, threaten peace and security in this area and create a new danger.

The Algerian National Liberation Front reassures the CC, the WPK of its invariable support to and solidarity with the DPRK's efforts to achieve national reunification in a peaceful way, without interference from outside, he states.

The chairman and general secretary of the CC, the Socialist Party of Cyprus denounce the decision to resume the joint military exercises. The Socialist Party of Cyprus demands that all the foreign forces be withdrawn from South Korea for peace and security on the Korean peninsula and the internal affairs of Korea be settled according to the will of the Korean people themselves, they say.

### Mass Meeting Marks 40th War Anniversary

*SK0501052193 Pyongyang KCNA in English 0424 GMT 5 Jan 93*

[Text] Pyongyang January 5 (KCNA)—A Pyongyang mass meeting was held at the February 8 House of Culture Monday to greet the 40th anniversary of the victory in the Fatherland Liberation War with a high degree of political enthusiasm and splendid achievements in labour, in hearty response to the New Year address of the great leader President Kim Il-song.

Kang Hyon-su, chief secretary of the Pyongyang Municipal Committee of the Workers' Party of Korea [WPK] and chairman of the Pyongyang Municipal People's Committee, made a report, which was followed by speeches of representatives of various social strata.

The reporter and speakers said the New Year address of President Kim Il-song serves as a militant banner for smashing the imperialists' moves and accomplishing the socialist cause of chuche with the might of singlehearted unity and as a highly important guideline of revolution for promoting national reunification, a historical desire of the Korean people, and vigorously pushing ahead with the cause of independence against imperialism as a whole.

They called for effecting another great upsurge in socialist construction this year in which falls the 40th anniversary of the victory in the Great Fatherland Liberation War to increase coal and power production, rapidly boost light industrial and agricultural production, improve the people's living, and complete the construction of 30,000 flats in the capital city before the anniversary without fail.

They also called for dynamically accelerating the building of the monument to the victorious Fatherland Liberation War to complete it before the set time on the highest level and thus add significance to the 40th anniversary, and speeding up the third-stage project of the streetcar lines in the capital.

They stressed the need to powerfully demonstrate the true appearance of Korean-style socialism to the whole world once again with deeper faith that our party is great and our guiding idea and Korean-style socialism are best and fully displaying the revolutionary spirit of self-reliance and hard struggle and mass heroism.

A resolution was adopted at the meeting.

Present at the meeting were Vice-president Yi Chong-ok and secretary of the C.C. [Central Committee], the WPK Han Song-yong who are Politburo members of the C.C., the WPK, and officials concerned and a large number of Pyongyang citizens.

## SKNDF Greets Kim Chong-il on New Year

*SK0501082793 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 1 Jan 93*

[New Year's message to Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the Workers Party of Korea Central Committee, from the South Korean National Democratic Front Central Committee on 1 January 1993 in Seoul—read by announcer]

[Text] To dear Comrade Kim Chong-il, the nation's sagacious guiding star:

A year of the stern anti-U.S., antifascist struggle for national salvation waged under the bright rays of chuche has closed and the grand New Year 1993, which promises new substantial progress and victory, has dawned.

On the first morning of the meaningful new year, in the name of all our vanguard fighters and patriotic people from all walks of life, the South Korean National Democratic Front [SKNDF] Central Committee enthusiastically wishes the dear leader Comrade Kim Chong-il, the nation's guiding star whom all the fellow countrymen warmly admire and follow, a long life.

The year 1992, which has closed on the turbulent horizon of history, was a year of splendid honor in the history of mankind: Amid the blessings of fellow countrymen and all mankind, the 80th birthday of Comrade Kim Il-song, the sun of the nation, and the 50th anniversary of Comrade Kim Chong-il's birthday, the guiding star of chuche, were celebrated as grand global festivities. It was also a year of great pride when songs of admiration resounded throughout the world and when the prestige of the chuche-oriented socialist Korea was further enhanced throughout the world.

The dear comrade leader was elected as marshal of the DPRK last year, when the most brilliant chapter of our national history opened. This has provided the nation a brighter future, and the era of independence has met a new historic turning point.

With outstanding leadership and wisdom, again, last year, the sagacious dear comrade leader crushed the imperialists' vicious policy of blockade and their [word indistinct] maneuvers, resolutely defended the chuche cause, and further glorified chuche Korea as an invincible socialist fortress that no wind of temptation can crumble or that no aggressor dares to touch.

The masses on the northern half of the fatherland, who have clearly realized that the dear comrade leader's outstanding guidance is a lifeline, have single-mindedly upheld the leader [suryong] and the Workers Party of Korea, achieved new successes in economic construction, and enthusiastically glorified the popular masses-centered unique socialism.

The Korean intellectuals meeting, where the intellectuals of the North displayed their resolve and will to strongly defend and glorify the chuche-oriented socialism, was an occasion to praise the victory of the benevolent politics of the dear comrade leader, who raised the intellectuals into the party's eternal companions and the country's genuine masters. The meeting also was an emotional scene showing that the leader [suryong] believes in the masses and the masses entrust their destiny to the leader [suryong].

As a result of his [words indistinct] and ideological and theoretical activities, last year the dear comrade leader resolved a crisis facing the international communist movement, elucidated a road toward a socialist victory, and marked an immortal milestone for mankind's future.

"Historic Lessons From Socialist Construction and Our Party's General Line," "On the Fundamental Questions of Revolutionary Party Building," and other immortal, classical works of the dear leader were the declaration that the empty theory of the imperialists and the betrayers of socialism that socialism has been brought to an end, has been discredited. They were also great theses that elucidate a correct way to build the masses-centered socialism.

While sympathy with the great chuche idea and the aspiration to follow the Korean-style socialism were being strongly expressed, the progressive parties of the world community wholeheartedly supported and praised the historical Pyongyang Declaration. It eloquently shows that the direction to rebuild the Workers Party of Korea's socialism is being thoroughly spread throughout the whole world with peerless determination.

Last year was filled with truly exciting events. During that time the dear comrade leader, with a combination of literary and military accomplishments and loyalty and filial duty unparalled in the East or West, made great achievements on the glorious and brilliant course to complete the chuche cause, receiving admiration from all mankind.

Last year the dear comrade leader sagaciously guided the fellow countrymen of the South, North, and overseas. Therefore, developments worthy of close attention occurred in the struggle to open the doors for reunification. Amid the atmosphere where national reconciliation and unity were being enhanced, the South-North agreement and the joint declaration on denuclearization were effectuated, and the third pannational rally was held. As a result, a turning point was achieved in the reunification movement. This was a lofty result of the dear comrade leader's hard work and extraordinary leadership.

The dear leader Comrade Kim Chong-il is truly the [word indistinct] of freedom and liberation and the center of the fatherland's reunification. Last year the U.S. imperialist aggressors and the military dictatorial group amplified fascist aggression to block and obliterate the nationwide anti-U.S. and antifascist advance by national and democratic forces. However, even though they were dragged to prison in fetters, people from all walks of life, including the youth and students, called for the end of the military dictatorship and fought fiercely, crying out for the fatherland's reunification while they went to the murderous court.

Even though the Yankee aggressors and military dictatorial group induced and controlled the rapidly changing political situation, people from various circles, who were awakened and united with a sense of independence, dealt a tremendous blow to the military dictatorial group in the struggle against the 24 March general election and 18 December presidential election. Therefore, they intensified even more the critical situation of the colonial rule.

Regardless of the military dictatorial group's reactionary ideological offensive and the fascist security-oriented rule last year, our SKNDF and the Korean people expanded their struggle without pessimism and frustration, and were able to continuously carry out the sacred resistance to save the nation. This is because the dear comrade leader's great ideological theory, strategy, and tactic elucidating the direction and goal in pioneering the people's fate became an invincible guiding banner vigorously fluttering in the forefront of the ranks of the SKNDF.

Today, the dear comrade leader's immortal classical works have been widely disseminated and thoroughly studied. Thus, they are being placed deep in the hearts of the people as a philosophy for a true life and in carrying out the struggle. Also, great results are being made in the independent, democratic, and reunification movement.

We bid farewell to the year of worthy struggle and greet the hopeful New Year. We uphold the dear comrade leader as the guiding sun [hyangdoui taeyang] and bear deep in our hearts the great pride of living and struggling in accordance with the banner of chuche. We firmly pledge to provide a new historical turning point in this year's anti-U.S. and antifascist nation-saving movement.

Our SKNDF regards upholding the guiding star of the nation eternally as the most important task in life, and finds glory on the road to save the nation while moving forward with the people. Therefore, the future of our SKNDF is optimistic and victory is inevitable.

We should hold the banner of the great chuche idea even higher and establish a correct direction for struggle so that we can deal with the changing political situation actively. We should also accelerate the chucheization of the ranks of the SKNDF and make the people from all walks of life aware and organized in order to unfailingly open a decisive phase in ending the reform movement.

Filled with the earnest desire of all of our vanguard fighters and patriotic people from all walks of life, the SKNDF Central Committee respectfully wishes the respected leader Comrade Kim Chong-il, the nation's guide [hyangdoja], the center of reunification, and symbol of victory and glory who is being earnestly admired, a long life and good health.

[Signed] SKNDF Central Committee

[Dated] 1 January 1993, Seoul

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## KCNA Profiles Tonghae University

*SK0601060293 Pyongyang KCNA in English 1511 GMT 5 Jan 93*

[Text] Pyongyang January 5 (KCNA)—Tonghae University is situated in Wonsan, a port city of culture.

Its predecessor is Wonsan University of Fisheries which was founded in 1959 on the basis of the Fisheries Faculty of Wonsan University of Agriculture.

The university was named Tonghae (East Sea) which abounds in marine resources according to a decree of the Central People's Committee of the DPRK in October 1990.

The four-year university is a breeding centre of technical personnel of the fisheries domain.

It has the Fishing Faculty, the Fish Breeding and Sea Culture Faculty, the Processing Faculty, the Machine Engineering Faculty and other faculties and dozens of chairs and laboratories which serve to develop the science and technology of fisheries to a higher stage in compliance with the realistic and prospective demands of developing fisheries. There are in the university hundreds of teachers and researchers including more than 80 professors, doctors and associate doctors.

Experimental and practice grounds are also well furnished. Available there are a modernly equipped practice factory, tens of fishing boats including the 1,000-ton "Namsan-ho" and sea culture grounds and fish farms.

The university is concentrating efforts on the solution of urgent scientific and technological problems in fisheries. It has contributed to the solution of no small scientific and technological problems arising in oceanography, resource, fishing, marine products processing, sea culture, ship and fishing machines.

Teachers, researchers and students have gone to the spot and solved together with workers a series of scientific and technological questions to universalize and modernize fishing boats and modernize the seafood processing.

## Chongnyon Officials Mark New Year in Tokyo

*SK0301090693 Pyongyang KCNA in English 0836 GMT 3 Jan 93*

[Text] Tokyo January 1 (KNS-KCNA)—Officials of the General Association of Korean Residents in Japan (Chongnyon) met in Tokyo on January 1 to vow loyalty on the New Year 1993.

Among those present there were chairman of the Central Standing Committee of Chongnyon Han Tok-su and other Chongnyon officials.

The participants listened to the New Year address of the great leader Generalissimo Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea.

Then a message of greetings sent by the great leader Generalissimo Kim Il-song to chairman Han Tok-su on the New Year was conveyed at the meeting. The participants renewed their firm determination to make this year a brilliant year of victory which will bring a new turn in the movement of Koreans in Japan by strengthening the Chongnyon organizationally and ideologically with the conviction of the certain victory of the chuche-oriented cause of socialism in hearty response to the teachings of the great leader on the new year.

On the same day, similar meetings were also held at all local headquarters of Chongnyon.

## KCNA Reviews 5 Jan Pyongyang Press

*SK0501055993 Pyongyang KCNA in English 0444 GMT 5 Jan 93*

[Press review]

[Text] Pyongyang January 5 (KCNA)—Papers here today carry a photo-accompanied report that the great leader President Kim Il-song received the delegation of the great Socialist People's Libyan Arab Jamahiriyah.

Given in the press are messages of greetings to Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, and Comrade Kim Chong-il sent by foreign party and state leaders on the occasion of the new year. Also seen in the press is a report that Comrade Kim Il-song and Comrade Kim Chong-il received gifts from Comrade Fidel Castro Ruz, first secretary of the Central Committee of the Communist Party of Cuba, president of the Council of State and president of the Council of Ministers of the Republic of Cuba, on the new year.

According to the press, foreign mass media reported the new year address of President Kim Il-song and he received reply messages from party and state leaders of Indonesia and Laos.

NODONG SINMUN carries a statement issued to the press by Yi Kye-paek, chairman of the Central Committee of the Korean Social Democratic Party, supporting the policy of national reunification laid down by President Kim Il-song in his new year address. A South Korean old man ardently revered the great leader President Kim Il-song as the lode star of national reunification, says the paper.

The press informs the readers that the dear leader Comrade Kim Chong-il received a gift from Mu'ammar al-Qadhdhafi, leader of the great September First revolution of the great Socialist People's Libyan Arab Jamahiriyah. NODONG SINMUN gives an account of a round-table talk held at the DPRK Embassy in Russia on the occasion of the first anniversary of the publication of the classical work of Comrade Kim Chong-il "The Historical Lesson in Building Socialism and the General Line of Our Party".

Given in the press are an account of a Pyongyang mass meeting held to greet the 40th anniversary of the victory in the fatherland liberation war with high political enthusiasm and with brilliant success in labour and reports about innovative success of working people across the country in the production and construction.

"To Add Lustre to Socialism Is Honorable Task Facing Our Party and People" is the title of an article of NODONG SINMUN.

It is reported in the press that the President of Sao Tome and Principe met with the DPRK ambassador and a protocol of the 9th meeting of the Inter-governmental Joint Committee of the DPRK and the great Socialist People's Libyan Arab Jamahiriyah was signed in Pyongyang.

The press rounds up voices of foreign political and public figures denouncing the decision of the U.S. imperialists and the South Korean authorities to resume the "Team Spirit" joint military exercises.

NODONG SINMUN in a commentary lays bare the sophism of the imperialists and their subsidized propaganda tools about the socalled "advantages" of capitalism.

The press reports that leaders of foreign countries referred to the tasks of their countries for the new year and elections of deputies to the People's Supreme Assembly was held in Laos.

NODONG SINMUN carries economic briefs from Cuba, Tanzania, Zambia and India.

The paper runs an article on positive developments in South Africa for democracy last year.

### KCNA on 6 Jan NODONG SINMUN

*SK0601054993 Pyongyang KCNA in English 0508 GMT 6 Jan 93*

[Press review]

[Text] Pyongyang January 6 (KCNA)—Papers here today carry new year messages to Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea, from foreign party leaders.

NODONG SINMUN carries a report that the new year address of the great leader President Kim Il-song was reported by mass media of Cuba and a statement of Chong Sin-hyok, chairman of the Central Committee of the Chondoist Chongu Party, supporting the national reunification policy clarified in the New Year address.

Seen in the paper is a message of greetings of the C.C., the Workers' Party of Korea to the Central Committee of the Communist Party of Argentina on the 75th founding anniversary of the party.

The paper carries accounts of functions held in various countries to commemorate the 75th birth anniversary of Comrade Kim Chong-suk, an indomitable communist revolutionary fighter.

The paper editorially calls for energetically fulfilling the tasks set forth in the new year address in the spirit displayed during the fatherland liberation war and carries a political essay headlined "all for a new victory".

Papers report that the miners of the February 8 Chiktong youth coal mine in Sunchon area and the farmers of the Okto cooperative farm in Yonggang county, Nampo municipality, called on the workers, technicians and office employees and agricultural working people across the country to wage a socialist emulation to greet the 40th anniversary of the victory in the fatherland liberation war with a high degree of political zeal and brilliant achievements in production.

NODONG SINMUN edits articles about the advantages of our socialist system under the bannerline "socialism—life and soul of our people."

A group for the study of the chuche idea was inaugurated in Kirihira underprefecture, Rwanda and an annual meeting of the progressive group for the study of the chuche idea in Kingston, Jamaica, was held, according to papers.

Papers report that the Cuban ambassador to Korea hosted a reception on the 34th anniversary of the victory of the Cuban revolution and the Korean ambassador paid a courtesy call on the prime minister of Lebanon.

NODONG SINMUN runs an article titled "Principle of National Independence is Fundamental Principle to Solve Reunification Question."

Commenting on the successive cases of suicide in South Korea, the paper says this is an evil product of the South Korean system and a result of the anti-popular policy.

The scheme of the U.S. imperialists and the South Korean authorities to resume the "Team Spirit" joint military maneuvers is denounced in foreign countries, says the paper.

It is reported in papers that foreign heads of state mentioned new year's tasks facing their countries, Daniel T. arap Moi was reelected president of Kenya, a meeting of prime ministers of Nordic countries was held, Russia and the United States signed start 2 and the Japanese authorities transported a large amount of plutonium.

NODONG SINMUN informs the readers of achievements of the Philippines, Bangladesh, Nepal, Cyprus, Indonesia and Laos in economic construction.

An article of the paper refutes the "argument about the superiority of capitalism" of the mouthpieces of bourgeoisie.

## South Korea

### Kim Yong-sam Asks U.S. To Take Steps on DPRK Nuclear issue

*SK0701022593 Seoul YONHAP in English 0215 GMT 7 Jan 93*

[Text] Seoul, Jan. 7 (YONHAP)—President-elect Kim Yong-sam said Thursday that South Korea and the United States should take concerted steps toward the North Korean nuclear issue.

Kim made the observation when he met with U.S. Ambassador Donald Gregg in his Democratic Liberal Party office. The two countries will have to work for closer cooperative relations in tackling regional and other international problems.

As there would be many changes in the United States with Bill Clinton taking over the presidency, Kim said the construction of a "new Korea," through changes and reform, will begin under his administration.

Kim and Gregg discussed the possibility of holding a summit between Kim and Clinton and problems related to the inauguration of new administrations in the two countries, Korean sources said.

### Government Wary of Japanese Nuclear Arms Potential

*SK0601120893 Seoul TONG-A ILBO in Korean 6 Jan 93 p 1*

[Text] In connection with the recent Japanese moves to import a large quantity of plutonium from Europe and push ahead with a plan to build the world's largest nuclear reprocessing facilities, the government has concluded that Japan now has full capability to develop nuclear weapons. Accordingly, the government is considering medium- and long-term measures to guard against Japan's becoming a major nuclear power.

The government is planning to upgrade the function of the channels of dialogue between the two countries, such as the ROK-Japan nuclear energy meeting to be held in Seoul on 16 January. At the same time, the government is planning to activate the exchange of information on nuclear matters, thereby strengthening the checks and balances. On a long-term basis, the government is planning to push ahead with a permanent channel of dialogue among the countries in the region to ensure the peaceful use of the Japanese nuclear technology.

In a secret report the Ministry of Science and Technology prepared based on such data as the informational reports sent by the ROK Embassy in Japan since September last year, the government noted: Japan has pushed ahead with a long-term plan for the development and use of nuclear energy since 1956 and accumulated nuclear technology. According to our analysis, Japan reached the technological standard necessary for the development of nuclear weapons as early as 1980.

In this report the government stated: Although Japan claims officially that the objective of its nuclear policy is to secure a stable and continuous energy supply, the Japanese nuclear policy must also be aimed at strengthening its position in defense and security diplomacy as a potential major nuclear power capable of producing nuclear weapons.

The government noted, however: Since Japan has been sincerely receiving nuclear inspections by the International Atomic Energy Agency and maintains the clear three-point nonnuclear principles externally, there is little possibility that Japan will attempt to arm itself with nuclear weapons at present. Therefore, it is a desirable approach for the countries concerned, including the ROK, to activate the exchange of nuclear-related information with Japan for the purpose of checking Japan's potential nuclear development and for the fringe benefit of learning Japan's developed nuclear energy technology.

Meanwhile, Chong Tae-ik, director of the Americas Department of the Ministry of Foreign Affairs, said: We understand that Japan is planning to bring 30 tons of plutonium from Europe with the objective of stockpiling 85 tons of plutonium from various regions, including Europe, by 2010. The government is concerned about the safety of bringing plutonium by sea, but according to our government's judgment, Japan is unlikely to attempt to arm itself with nuclear weapons.

### Transition Team Names Group Chiefs, Sets Agenda

*SK0601093493 Seoul YONHAP in English 0659 GMT 6 Jan 93*

[Text] Seoul, Jan. 6 (YONHAP)—President-elect Kim Yong-sam's transition team buckled down to serious business Wednesday with the naming of subgroup leaders.

They are Pak Kwan-yong, unification, diplomacy and security affairs; Choe Pyong-yol, political affairs; Yi Min-sop, economy I; Yang Chang-sik, economy II; and Nam Chae-hui, social and cultural affairs.

In their first meeting, members of the team decided that the restructuring of government organizations promised by Kim during the campaign should be discussed after his inauguration because it required amendment of related laws, team spokesman Sin Kyong-sik said.

As to the presidential office, however, the transition team would work out plans to reshape the parts not requiring any changes in the law and report them to Kim before his administration was sworn in, Sin said.

The transition team will finalize its schedule and hear how the government is preparing for the inauguration Jan. 6-10, hear a report from each cabinet member Jan. 11-17 and make its report to Kim Jan. 18-30, he said.

It will select candidates for major government posts Feb. 1-10. The choices for prime minister and senior presidential secretary would be announced first, sources said. Working-level posts on the transition team will be filled by Democratic Liberal Party secretariat officials and by government officials, Sin said.

### No 'Special Foreign Emissaries' To Be Invited to Inauguration

*SK0501121993 Seoul YONHAP in English 1207 GMT 5 Jan 93*

[Text] Seoul, Jan. 5 (YONHAP)—Unlike the past practice, President-elect Kim Yong-sam would not invite special foreign emissaries to his inauguration late next month, it was learned Tuesday.

A close aide to the president-elect said Kim is planning not to invite special foreign delegates because, he said, the birth of a civil-led administration would dispel any question about the legitimacy of the government and also in a move to set an example of saving government money. In the past, new presidents used to invite special foreign emissaries to their inauguration in an effort to solidify the legitimacy of their regimes.

"In this age of a civil-led administration, we don't feel the need to bother to invite emissaries from allies. It is desirable to have foreign resident missions in Korea attend the inauguration instead," he said.

The aide noted that most of the advanced countries with the presidential system, including the U.S. and France, do not invite special foreign missions to the inauguration of their presidents. A Foreign Ministry official said in this connection, "Our national standing now is different from the one in the past when we tried to obtain foreign governments' recognition of the legitimacy of our government."

Special foreign emissaries were invited to the inauguration of President Pak Chong-hui in 1967, President Chon Tu-hwan in 1981 and President No Tae-u in 1988.

### Kim Tong-kil To Resign From United People's Party

*SK0601052093 Seoul YONHAP in English 0304 GMT 6 Jan 93*

[Text] Seoul, Jan. 6 (YONHAP)—Rep. Kim Tong-kil, demanding the resignation of Chong Chu-yong from active leadership of the party, declared Wednesday he would resign as chairman of the United People's Party [UPP]. Kim Tong-kil, who had been a founding member of the UPP, made his intention known at a meeting of chairmen and senior party officials chaired by Chong Chu-yong Wednesday morning, party sources said.

### National Assembly Accepts Kim Tae-chung's Resignation

*SK0601053093 Seoul YONHAP in English 0248 GMT 6 Jan 93*

[Text] Seoul, Jan. 6 (YONHAP)—National Assembly speaker Pak Chun-kyu accepted Rep. Kim Tae-chung's resignation Wednesday. Kim, former leader of the Democratic Party, announced he would leave politics and relinquish his National Assembly seat immediately after losing the presidential election on Dec. 18. Kim's seat will be taken by Namkung Chin, 51, deputy secretary general of the party.

### Kim Yong-sam Outlines Plans for 1993

*SK0201033393 Seoul TONG-A ILBO in Korean 1 Jan 93 p 3*

["New Year interview" with President-elect Kim Yong-sam by Hong In-kun, chief editor of TONG-A ILBO, on 31 December; place not given]

[Text] [Hong In-kun] You have been elected president with the end of the 20th Century approaching. What is the historical significance of the five-year term that you will serve, and the role that you will play as president?

[Kim Yong-sam] The most important task is to dissolve conflicts between regions and the strata and generations of the people. It is important to create a new Korea with the united strength of the people by establishing great harmony among them. We should heal the Korean maladies prevalent in our society through change and reform. Infusing new vitality in the sluggish economy, we should venture in a second leap forward. At the same time, we will push ahead with such projects as putting an end to authoritarian politics, eliminating corruption, gouging out the practice of unearned income, and implementing down-to-earth politics aimed at enhancing the people's welfare. We should also realize the reunification of the country in which the 70 million people will live happily together.

[Hong] The year 1993 will be an important year for you in that it is the first year of your term. How will you spend this year?

[Kim] The year 1993 will be the year of a new leap forward in the development of democracy. It will be the year for a march into an advanced economy. With a reason-prevailing government without military background coming into power, the controversy over the legitimacy of the government has ceased to exist. This marks a turning point in our country's history. By overcoming economic difficulties with all the people bracing themselves up and working hard together, we will be able to build a prosperous new Korea. In short, I feel a heavy sense of responsibility before the nation and history.

[Hong] You have promised to cure the nation-harming regionalism, diagnosing it as a Korean malady. What is your specific plan for it?

[Kim] It is fortunate that regionalism did not surface as a campaign issue in the election. Nevertheless, it is true that there were considerable gaps between the votes won by the presidential candidates resulting from regionalism. The key to resolving the conflicts between regions is the appropriate personnel policy, and the policy to promote the balanced development among regions. I will implement all necessary policies so that the word regionalism will disappear in five years from now.

[Hong] There is a saying that personnel policy is a determinative factor for everything. Please tell us the specific personnel policy and principles the new government is considering, such as the selection of the prime minister.

[Kim] I have not made any conclusion yet. I am contemplating carefully since I still have time before making a decision. The prime minister, the economic ministers, and the presidential secretary general are very important posts. The appropriate people do not descend from heaven. We must select them from among those who are available, and it is very difficult to select. Personnel policy should be consistent. The ministers should serve long enough. They should not prepare to leave as soon as they come into the cabinet.

[Hong] The most important task the new government will tackle will be the economic recovery and achieving stability in the cost of living. What is your specific plan for the "new economy" theory which you put forward during the election campaign?

[Kim] Under the past authoritarian system, economic development was achieved by government plan and control, but under the democratic system, the development should be made based on all the people's participation and creativity. For this, I will ease the government's regulatory measures over the people's life and business activities. The economic justice in which all people get their due reward should be established. For this, we will implement comprehensive institutional reform on financial and banking practices, and economic administrative control.

[Hong] What is your plan for respecting the 58 percent of the votes cast for other presidential candidates in the election?

[Kim] In democratic politics, there are pros and cons. I will humbly accommodate the views critical of me and do my best to achieve national harmony.

[Hong] Some say that although you advocate change and reform, it is highly likely that your reform policy will fail because of the conservative atmosphere of the vested interests forces in the ruling party.

[Kim] My being elected itself means change and reform. Since change and reform is the demand of the times and the people's aspiration, all forces will gladly participate in it.

[Hong] How would you evaluate the merits and demerits of the No Tae-u government?

[Kim] As to the merits and demerits of the past government, history will evaluate correctly. The Sixth Republic accomplished much in such areas as northern policy and the improvement of inter-Korean relations while traversing through the transitional period of democratization. In the process of democratization, however, loss of authority, disorder, and loosening of discipline resulted. This led to the loss of social and economic vitality. This is the major reason for the current complaints of the people.

[Hong] Some say that it will be difficult for you to conduct politics with opposition circles, which are now without Mr. Kim Tae-chung. What is your feeling about Mr. Kim Tae-chung's retirement from politics? What do you think will be the desirable direction of ruling-opposition party relations?

[Kim] Mr. Kim Tae-chung has contributed greatly to the realization of democracy in our country? I will make efforts so that Mr. Kim's high statesmanship may be reflected in state affairs. The ruling and opposition party relations should be developed in such a way as to exercise the function of criticism and containment of the government's conduct of state affairs within the framework of mutually complementary relations. A sound ruling party does not exist without a sound opposition party. The new government will accommodate the opposition parties' sound criticism and reflect it in its policies as best as possible.

[Hong] A realignment of political circles is anticipated in the opposition camp, and some view that the parliamentary cabinet system will become a medium in the course of the realignment.

[Kim] It is not appropriate to mention constitutional revision at this juncture when the new government is to be launched. Mentioning constitutional revision now will be an irresponsible act that would bring about social confusion. Politicians should not attempt to change the power structure for their own convenience' sake, prompted by their partisan interest and strategy.

[Hong] During the presidential election campaign, you raised the issue of "ideological inclination" against the opposition party and dissidents. Do you really think that the Democratic Party [DP], which made a policy alliance with the National Alliance for Democracy and Reunification, and Mr. Kim Tae-chung have a problem in connection with their ideological inclination?

[Kim] I myself have never questioned the ideological inclination of Mr. Kim Tae-chung. I criticized the DP during the campaign because the DP made a policy alliance with some forces whose ideological inclination was doubtful, giving rise to the people's suspicion. Therefore, I advised the DP to sever its ties with them.

[Hong] During the election campaign period, you openly stated that you will "eliminate the vice of buying political power with money." What is the new government's policy toward large business groups?

[Kim] The attempt to resolve the issue of large business groups through special measures as in the past is not advisable. The previous method to control large business groups by formulating special measures each time on demand was not successful because a large business group was relieved of criticism if it succeeded in finding temporary evasive means. Therefore, I believe that dealing with a large business group through normal, consistent methods based on a tax assessment system, and fair transactions system is more effective. By doing so, problems will be solved.

[Hong] How will you carry out North-South negotiations for national reunification? Do you plan to meet with President Kim Il-song during your term of office?

[Kim] It is necessary, first of all, for the North and the South to build mutual trust by putting the North-South agreement into practice. The issue of reunion of separated families and solution to North Korea's nuclear question are priority tasks. Economic cooperation should be realized in a natural manner in the course of building such trust. I think the North-South summit talks will be possible only when an atmosphere of trust is created. I would be ready to meet President Kim Il-song at any time should he show a clear intention to join the trend of openness by discarding cold war thinking.

[Hong] Concerning foreign policy issues, will you tell us in which direction will you lead ROK-U.S. and ROK-Japan relations?

[Kim] ROK-U.S. relations are our most important foreign relations. Therefore, we should build further closer cooperative relations in political, economic and military domains. As a central state of the 21st Century Asian-Pacific era, the ROK should formulate a more mature partner-relationship with the United States. The ROK-U.S. security cooperation system should be maintained more firmly, and our economic relations should be developed into relations in which we should give what we should give and receive what we should receive. We should also develop ROK-Japanese relations into partner relations that mutually supplement and mutually help in a forward-looking manner.

[Hong] It is true that some consecutive presidents were subject to people's criticism concerning their relatives and friends. How do you intend to manage your relatives?

[Kim] There will be no problems caused by relatives and friends of the president. When I had dinner with my relatives after I was elected president, I told them all with special emphasis that they should not cause the people any trouble.

[Hong] Some are worried that you may be blocked by a "human curtain" after taking office in Chongwadae [presidential offices].

[Kim] The most important thing for the president is to push ahead with his work with a sense of duty and belief while remaining faithful to principle.

Needless to say, there will be some people who toady to the president. No matter what one may say, I will make my own sound and principled judgment. One will not have great problems as long as one realizes when someone is toadying up to him.

## Envoy: Miyazawa Likely To Attend Inauguration

*SK0601071093 Seoul YONHAP in English 0627 GMT 6 Jan 93*

[Text] Seoul, Jan. 6 (OANA-YONHAP)—Japan is most unlikely to admit using force to recruit Korean "sex slaves" for its soldiers during World War II unless clear evidence of coercion is produced, South Korean Ambassador to Japan O Chae-hui said Wednesday.

"We demand the full truth on the 'comfort women,' and Japan will announce the results of a further investigation in a follow-up to the first report, issued last July," O told a press conference.

"But Korea needs to see the reality that this controversy will drag on and on if it keeps demanding more truth. The people of Korea need to draw the line on when enough truth has been told," the ambassador said.

He said he was optimistic that Japanese Prime Minister Kiichi Miyazawa would attend Kim Yong-sam's inauguration in February.

"The public consensus has been carried over from the Nov. 8 Korea-Japan summit in Kyoto that it is important for the leaders of the two countries to talk frequently," O said. "The Japanese parliament's budget deliberation will be at its peak at the time of South Korea's inaugural ceremony Feb. 25, but the opposition camps are unlikely to block Miyazawa's Seoul visit," he said. The ambassador returned to report to the foreign minister and the transition team on pending Seoul-Tokyo issues.

Korea demands that Japan admit to coercing Korean women to serve in frontline brothels and have sex with Japanese soldiers during the war, but Tokyo admits only to operating the brothels while insisting there is no evidence any force was involved.

"Japan is most unlikely to admit to using force unless there is concrete evidence proving it," O said, adding that he does not believe Japan is intentionally withholding such evidence.

The Korean people had to agree on the point at which Japan would have done enough investigation into the comfort women issue and "face reality," he said. "There has to be a public consensus on when enough is enough."

Miyazawa's Seoul visit, the ambassador said, has not yet been formally addressed. But Seoul did remind Tokyo of a precedent when Prime Minister Noboru Takeshita came for President No Tae-u's inauguration in 1988, he said. The Japanese Government realized from November's summit that it was important for the leaders to discuss bilateral issues as often as possible and the mood was ripe for Miyazawa's trip, he said.

## Vietnam Agrees To Enter Ministerial Talks

*SK0601051893 Seoul YONHAP in English 0319 GMT 6 Jan 93*

[Text] Seoul, Jan. 6 (YONHAP)—South Korea and Vietnam have agreed to hold a trade ministerial meeting in Seoul in the first half of the year, Trade and Industry Ministry officials said Wednesday.

A Korean trade cooperation delegation visited Hanoi for six days from Dec. 27 and agreed with the Vietnamese Government that a trade pact, an arbitration treaty for commercial disputes, an investment guarantee pact and an accord on avoidance of double taxation should be signed.

Another Korean delegation is to visit Vietnam in January or February to discuss investments in light and heavy industry. Korea has sent a draft trade pact to Vietnam, which Vietnam is to reply in January, and the countries will hold working-level talks to finalize the agreement early. The Korean Commercial Arbitration Board and the Vietnamese Chamber of Commerce and Industry are to start negotiations on an arbitration treaty.

The Trade and Industry Ministry is to exchange information with the Vietnamese Trade Ministry, State Planning Committee and related government bodies.

## 'Presidential Envoy' To Attend Inauguration of Ghana's Rawling

*SK0601014993 Seoul YONHAP in English 0059 GMT 6 Jan 93*

[Text] Seoul, Dec. 6 (OANA-YONHAP)—Former Home Affairs Minister An Ung-mo left Wednesday for Ghana as a presidential envoy to attend the inaugural ceremony of president Jerry John Rawlings, Foreign Ministry officials said. An will attend the ceremony Thursday and deliver South Korean President No Tae-u's congratulations to Rawlings. South Korea and Ghana established full relations in 1977. Ghana also has diplomatic relations with North Korea from 1964.

## Economics Institute Predicts NAFTA-Inspired GDP Cut

*SK0601033693 Seoul THE KOREA TIMES in English 6 Jan 93 p 9*

[Text] Korea's gross domestic product (GDP) will shrink by 393.8 million U.S. dollars by the year 2000 due to the North American Free Trade Agreement (NAFTA), an economic think tank said yesterday.

The NAFTA will cost Korea 531.6 million dollars by 1998 in lost GDP, but then start paying off, the Korea Institute for Industrial Economics and Trade (KIET) said. The GDP will dip by 34.9 million dollars this year and by 75.9 million dollars next year. The drop will be 108.7 million dollars in 1995, 118.7 million dollars in 1996 and 115.2 million dollars in 1997, it said. The projection assumes that exports to the United States will drop as the United States, Canada and Mexico will limit imports.

KIET expects the GDP to narrow by 78.2 million dollars in 1998, slowing its shrinkage thanks to accelerated economic growth among NAFTA member countries and then beginning to expand. GDP will grow 2.7 million dollars in 1999 and 135.1 million dollars in 2000. The GDPs of Japan and Taiwan would decline for the first three and five years, respectively.

Japan's GDP will plunge 97.7 million dollars this year, 145.8 million dollars in 1994 and 104.3 million dollars in 1995 but it will rise 65.6 million dollars in 1996, 1,087.5 million dollars in 1997, 1,401.8 million dollars in 1998, 1,735.3 million dollars in 1999 and 2,093.5 million dollars in 2000 for an overall increase of 4,535.4 million dollars over the same eight-year period, it said.

The GDPs of Taiwan and the European Community will grow 413.6 million dollars and 10,706.3 million dollars, respectively, by 2000, KIET forecast.

## Finance Minister Advocates Lower Interest Rates

*SK0501100293 Seoul YONHAP in English 0753 GMT 5 Jan 93*

[Text] Seoul, Jan. 5 (YONHAP)—Finance Minister Yi Yong-man said Tuesday that he would do his best to pull market interest rates below 12 percent to support corporate investment and help strengthen industrial competitiveness.

The money supply will be managed elastically subject to the change in interest rates, and reforms will be made in the financing system to advance the financial industry, Yi told a meeting of officials of the Finance Ministry, the Bank of Korea and other banking institutions to exchange New Year's greetings.

The finance minister said that as the economic and social surroundings developed, voices calling for reform were getting stronger.

This year should be the year of reforms and of edifying the psychology and abilities of employees in the financial sector as well as the year of giving better services to customers, he said.

The ineffectiveness and poor productivity of the financial field had to be uprooted to set up a new economy through stability and reform, he said.

## New Car Sales Up 15.2 Percent in 1992

*SK0501062793 Seoul YONHAP in English 0531 GMT 5 Jan 93*

[Text] Seoul, Jan. 5 (YONHAP)—Korean automakers sold 1,722,356 cars last year, up 15.2 percent from 1991. The growth rate surpassed the previous year's 14.8 percent and disproved the theory that car sales were in a recession. Of the cars, 1,267,624 were sold in Korea, up 14.6 percent, and 454,732 abroad, up 16.8 percent. The growth rates were 15.7 percent at home and 12.5 percent abroad in 1991.

Hyundai Motor Co. sold 845,099 cars, up 10.1 percent—562,798 at home, up 9.7 percent, and 282,301 abroad, up 10.9 percent. Kia Motors Corp. sold 500,154 cars, up 15.2 percent—397,133 at home, up 12.1 percent, and 103,021 abroad, up 29.1 percent. Daewoo Motor Co. sold 196,259 cars, off 2.9 percent. Ssangyong Motor Co. sold 20,649 jeeps, off 9.3 percent as its Korando lost market share to Hyundai's Galloper, according to the company.

## Companies Allied in Semiconductor Technology

*SK3112025392 Seoul THE KOREA HERALD in English 31 Dec 92 p 8*

[By staff reporter Kim Su-yong]

[Text] Korean electronics giants are apparently wondering if they will be able to survive against the competition from its rivals with the technologies which they have developed on their own in this era of rapid scientific advances and the short-lived life cycles of technologies.

Against this backdrop, electronics juggernauts are increasingly adopting what they call strategic alliances in a bid to gain the upper hand in the international market.

Samsung Electronics Co., the nation's largest electronics maker, is joining hands with foreign rivals to overcome many problems facing the company, especially in the semiconductor manufacturing sector.

The company recently announced a deal with Dainippon Screen Co. of Japan to set up a joint-venture semiconductor manufacturing company in Korea. The agreement with the top producer of such semiconductor equipment as tracks and wet stations could be a great boon for Koran semiconductor manufacturers who almost exclusively depend on foreign-made components from Japan and the United States, company officials say.

Dainippon Screen became the third company with which Samsung Electronics has formed a strategic alliance for semiconductor manufacturing this month.

Samsung Electronics agreed to cooperate with Japanese semiconductor giant Tosshiba in the production of "flash" memory chips.

It also reached an agreement with U.S. semiconductor manufacturer Texas Instruments to co-produce DRAMs (dynamic random access memory) in Portugal.

Pacemakers of the new trend include such international electronics heavyweights as International Business Machines Corp. and Toshiba.

In an unlikely technology partnership, early this year IBM announced a deal with Toshiba and Siemens of Germany to cooperate in the development of 256-megabit DRAMs, the ultramodern computer memory.

Fujitsu of Japan has teamed up with AMD of the United States to conduct joint development of flash memory chips. AT&T and NEC also followed suit.

Industrial experts cite the reason for the strategic alliances between electronics giants as the unavailabity of massive financial support needed for the development of new products and the accompanying high risks.

"It may be too burdensome for any individual electronics maker to bear the huge amount of money required for the development of future sophisticated electronic items, so the strategy is aimed at reducing the underlying risks," says Choe Hoe-pom, deputy chief in charge of international affairs at the Korea Semiconductor Industry Association (KSIA).

"Another factor behind the technology partnerships is the desire to secure a larger share of the international market," he adds.

Kim Chong-hyon, a public relations official at Samsung Electronics, notes that IBM, Toshiba and Siemens agreed to set aside about $100 million for R&D for the development of the next-generation 256-megabit DRAM chips.

Samsung Electronics spent about 500 billion won to develop the 1-megabit DRAM chip and set up the assembly line for the chips, which constitutes the lion's share of its exports, along with the 4-megabit chip, the official says.

"Electronics giants tend to reach a strategic truce to share the international market among themselves without resorting to the potential risks of competing on their own," Kim opines.

It is noteworthy that Samsung Electronics has joined forces with Toshiba, the world's largest producer of conventional memory chips, to produce flash memory chips, Choe maintains. Samsung said it captured a 13 percent share in the market of 1-megabit and 4-megabit DRAM chips last year.

The technology partnership between Toshiba and Samsung is seen by industrial analysts as a move to unseat Intel Corp. of the United States, which accounts for an 80 percent share of the conventional flash memory chip market.

Samsung officials acknowledge that the two electronics markers want to advance the standardization of the "NAND"-type flash memory chips and take over a greater share in the global flash memory market in the future

The "NAND"-type flash memory chips which retains its data even when the power goes out, will likely be a hit product like the DRAM chips, which will enable such personal computer devices as the floppy disk drive to be smaller, say the Samsung officials, adding that the flash memory chip of Intel Corp. has a more limited function.

Samsung's decision to co-produce memory and nonmemory chips at the Portuguese plant of Texas Instruments is designed for Samsung to lay a foundation for manufacturing chips in Europe, which is set to forge its economic integration next year, they said.

A contract between Samsusng and Dainippon Screen Co. to set up a semiconductor manufacturing firm in Korea is significant in that Korean semiconductor manufacturers are too dependent on foreign imports, ranging from raw chip materials to chip manufacturing equipment, according to business observers.

The technology alliance is desirable for Korean semiconductor producers lacking related technologies, but the huge amount of royalties being paid in the course of introducing technologies should be given second thoughts, Choe cautioned.

In reality, Korea's three semiconductor markers—Samsung Electronics, Hyundai Electronics Industry Co. and Goldstar Electron Co.—have generally done a good job in producing conventional memory chips, which account for only 35 percent of the semiconductor market. But they are still far behind other international rivals in the production of high-value nonmemory chips such as application specific integrated circuits (ASICs), because of their lack of advanced technologies.

## Reversal of 'Anti-Speculation Policy' Suspect

*SK3012035092 Seoul THE KOREA TIMES in English 30 Dec 92 p 9*

[By staff reporter Yi Chang-sop]

[Text] Backing away from its anti-speculation policy, the government has suddenly loosened its restrictions on land disposal by four conglomerates, including Lotte and Daewoo.

The decision will help these business groups reap capital gains and save on taxes.

Many critics contend that the latest government action has tarnished the morality of the No Tae-u administration and its much-touted slogan of pursuing a consistent policy.

The government announced Monday that it would permit the Lotte Group to sell 27,000 pyong of "idle land" near Chamsil Lotte World in Seoul to different buyers, not to a single one.

The action will enable the Lotte Group allegedly with close links to President-elect Kim Yong-sam to enjoy capital gains of 300-400 billion won. The land is priced at one trillion won.

If Lotte is forced to sell its land to a single buyer, it would fetch 500-600 billion won. Lotte's sale to different buyers will enable the group to sell it at or above market price.

The government had until last week resisted Lotte's repeated call for selling the land to multiple buyers, saying that it will aggravate traffic jams near the Chamsil area.

The government suddenly "revised" its tax codes last week to exempt the Daewoo Group from paying 100 billion won in tax on its "excessive" possession of idle land near the Daewoo shipyard.

Next year, Daewoo must pay 100 billion won in land holding tax unless it sells the land before this year.

Furthermore, the Trade-Industry Ministry permitted the Daewoo group to delay the merger of Daewoo Heavy Industries with Daewoo Shipyard by two years till 1994. The decision is regarded as a special privilege because Daewoo enjoyed tax exemptions and bail-out funds on condition that the two are merged in 1992.

The government is also moving to permit Ssangyong Motors and Hyundai Motor to convert their idle land into real estate linked to business operation. The permission will enable the two motor firms to save on taxes and reap capital gains.

On May 18, 1990, President No ordered 50 conglomerates to sell their "idle land"—equal to 10 percent of their total real estate holdings.

Although the instruction was controversial legally, it served to calm down the then rampant real estate speculation. Due to the instruction, such firms, including Lotte and Daewoo, had to face capital gains losses and pay huge amount of taxes.

But this time, the government selectively gave "special privileges" to the four firms.

The government is drawing suspicion not for its change of policy but because of its non-transparent decision-making process.

Last week, economic ministers made the decision in a closed-door session without the attendance of working-level officials from the Economic Planning Board and Finance Ministry. There was no official document on the decision and "we prepared a press release after hearing verbal instruction from our boss," said a government official.

Although the government has not made any official explanation behind the curious decision, many critics speculate whether the government's latest action is linked to "political funds for the presidential election."

Many critics contend that the government should clarify its controversial decision that has resulted in special privileges to the four conglomerates. They argue that President No and President-elect Kim Yong-sam should make public whether they are linked to the deal or not.

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## * 128 DPRK Companies Involved in Foreign Trade

*932C0053A Seoul CHUNGANG ILBO in Korean 22 Nov 92 p 4*

[By reporter Pak Ui-chun: "128 Companies Operating in North Korea's Foreign Trade Realm—Belong to Party, State Administration Council, or Military; Their Functions Similar to ROK General Trading Firms"]

[Text] As North-South trade expands gradually, more and more South Korean businesses come in contact with North Korean trading companies.

A very distinctive feature of the North Korean firms is that they each belong to the party or the State Administration Council or the military while outwardly playing a role similar to that of general trading companies in South Korea. However, it is not quite clear which government agency they belong to or who is their CEO [Chief Executive Officer]. As a result, South Korean businesses are known to be at pains trying to figure out which of them they should pick for partners for greater profits.

Officials of the Naitonal Unification Board [NUB] said that "it has been confirmed that altogether 128 trading companies are currently operating in North Korea," noting that "it is, for the sake of safety, better to trade with bigger firms with more affiliates and branches."

Following is a list of major North Korean trading firms and commodities they deal in, as published in "A

Business Guide to North-South Economic Exchange and Cooperation" issued by the NUB:

**Choson Taesong Muyok Sangsa** [Taesong Trading Company of Korea]: This firm belongs to the WPK [Workers Party of Korea] Central Committee and deals in items including various machinery and plants, metallic and nonmetallic minerals, ferrous and nonferrous products, gold and silver works, chemical and fiber products, Korean ginseng products, and various farm and marine products.

The company has under it nine branch firms including Choson Taesong Cheil Muyok Sangsa [Taesong Trading Company No. 1] dealing in heavy industry goods. It also has branch firms and offices at major ports and railway stations.

No. 2 and No. 4 Taesong companies sell apparel and other light industry products, while No. 3 firm exports marine products and imports fishing gear and materials.

Meanwhile, Taesong Co. No. 5 deals in jewelry and art works, No. 6 imports special machinery, equipment and materials, and No. 7 sells ginseng products.

**Choson Kongjak Kigye Muyok Hoesa** [Machine Tools Trading Company of Korea]: Located in Tongdaewon District, Pyongyang; exports machine tools and other tools and bearings; imports special machine tools and materials and elements needed for the manufacturing of special machinery.

This company also has joint ventures going with foreign companies and its biggest export item is machine tools.

It has plants in Pyongyang, Hamhung and Chongjin and operates the Huichon Machine Tool Complex and the 3 April Factory, manufacturing and exporting special machine tools such as lathes, drilling and milling machines, and hand tools including cutters, drivers and pincers, and axle bearings and other large-type bearings.

There is another firm similar to this company in nature—Choson Machinery Export-Import Company, which exports machine tools and other shop tools, electric equipment, cables, insulators, farm machines and transport equipment while importing factory machines, transport equipment, measuring instruments, and silicon steel plates.

**Choson Yonhap Muyok Hoesa** [Trade Incorporation of Korea]: Exports marine and farm products, steel materials, nonferrous metals, mica and graphite phosphate while importing various raw materials, machines and equipment, chemical goods and light industry products.

Especially, this company makes microscopes, shotguns, and medical equipment for diagnosing and treatment.

**Choson Kyonggongop Chepum Suchul-Ip Hoesa** [Light Industry Products Export-Import Company of Korea]: Located in Pyongyang; exports textile goods, raw silk, silkworm cocoons, foodstuffs, tobacco, and sundries for daily use; imports light industry machines and parts, edible oil, dyes, sugar and pulp. Among its major products are Kumpae [Gold Medal] Kaesong Ginseng Wine, Pullo [Eternal Youth] Wine, and Huin Changmi Pun K'urim [White Rose Powder Cream].

Meanwhile, Choson Mannyon Pogon Chong Hoesa [Permanent Health General Company of Korea] makes and sells Original Korean Honey Ginseng, kugija [Chinese matrimony vine] tea, and red-ginseng tonic and Mt. Pullo ginseng tonic. Choson Changgwang Muyok Hoesa [Changgwang Trading Company of Korea] deals in drinks, liquors, cosmetics, ceramics, apparel and furniture.

**Choson Ponghwa Muyok Chong Hoesa** [Ponghwa General Trading Company of Korea]: This company is under the direct control of the External Economy Committee of the State Administration Council and has its branch firms conducting business and export-import activities in each field.

It operates dozens of plants manufacturing export goods, and has branches and offices overseas.

Among its main exports are angora wool, and farm and local products. The company exports and imports large varieties of goods, ranging from one- piece dresses, hats and fountain pens to computers, chemical products, electronic watches and pharmaceutical items.

**Choson Nungnado Muyok Chong Hoesa** [Nungna Island General Trading Company of Korea]: Exports Taedong River-mark battery, wire rope, bearings, duck feather, goose liver spice, lugworms [for fishing baits], conger eels, and jade.

Lugworms, conger eels, Sindok [Divine] Spring Water, duck feather, goose liver, and silkworm cocoons are said to be highly popular among foreign buyers.

## Burma

### Opposition Meets on 'Sham' SLORC Convention

*BK0701080193 Oslo Democratic Voice of Burma in Burmese 1430 GMT 6 Jan 93*

[Text] The National Council of the Union of Burma has been holding a meeting at the liberated zone in Manerplaw from 4 January to 8 January. It has been learned that there will be a press conference after the last day of the meeting.

The National Council meeting's objectives are to oppose the State Law and Order Restoration Council's [SLORC] sham National Convention and to work diligently to bring about a constitution which represents the interests of all citizens including the national races.

It has been learned that the constitution, initiated by the Democratic Alliance of Burma and which is being drafted with the aid of the citizens residing in the country and foreign law experts, took two years and is now ready for ratification.

The National Council was formed with 47 members and includes the National Coalition Government of the Union of Burma; the Democratic Alliance of Burma; the National Democratic Front; and the National League for Democracy from the liberated zone.

### Ratifies Geneva Convention

*BK0601083893 Hong Kong AFP in English 0557 GMT 6 Jan 93*

[Text] BANGKOK, Jan 6 (AFP)—Burma's jungle-based opposition formally ratified the Geneva Convention on the first day of a meeting at the headquarters of ethnic minority Karen guerrillas in eastern Burma, they said in a statment Wednesday.

The opposition meeting, bringing together leaders of ethnic minority guerrilla groups and elected pro-democracy politicians denied power by the ruling junta, is intended to rival a Rangoon-organised national convention starting Saturday.

The Rangoon meeting, which will begin laying down the guidelines to draw up a new constitution, has been dismissed by the opposition as a sham and an attempt by the military regime to maintain its firm grip on power indefinitely.

The opposition National Council of the Union of Burma (NCUB) umbrella organisation, which they call the de facto parliament of Burma, ratified the 1949 Geneva Convention unanimously Monday, the NCUB said in their statement.

"In particular we proclaim our respect for the provisions ... governing the conduct of hostilities applicable in non-international armed conflicts (which) will guide our policy and that of the soldiers in combat," the NCUB said. Burma's ruling junta ratified the Geneva Convention last year.

A Karen guerrilla official said earlier this week that the meeting at their Manerplaw headquarters will also discuss a draft constitution which the opposition has drawn up and which enshrines a democratic as well as a federal framework for Burma.

### Gen. Than Shwe Receives Daewoo Chairman, Party

*BK0601063093 Rangoon Radio Burma in Burmese 1330 GMT 5 Jan 93*

[Text] The visiting chairman of Daewoo Company Limited, Mr. (Kim Wu-Chong), and party of the Republic of Korea paid a courtesy call on General Than Shwe, chairman of the State Law and Order Restoration Council [SLORC], at the Defense Ministry's Dagon House at 0900 this morning.

Present at the meeting were SLORC Secretary-1 Major General Khin Nyunt, SLORC Secretary-2 Maj. Gen. Tin U, Planning and Finance Minister Brigadier General Abel, Foreign Affairs Minister U Ohn Gyaw and Korean Ambassador Mr. Kim Hang-kyong.

### Ministers Meet Chairman

*BK0601070793 Rangoon Radio Burma in Burmese 1330 GMT 5 Jan 93*

[Text] A delegation led by the chairman of Daewoo Company Limited [DCL], Mr. (Kim Wu-chong), of the Republic of Korea [ROK] called on Industry-1 Minister Lieutenant General Sein Aung at the latter's office on Kabaaye Pagoda Road at 1000 this morning.

At the meeting, cordial and frank talks were held on bilateral industrial cooperation matters. Heads of departments under the ministry also attended the meeting.

Similarly, the delegation led by the DCL chairman, Mr. (Kim Wu-chong), of the ROK called on Forestry Affairs Minister Lt. Gen. Chit Swe at the latter's office at the junction of Kabaaye Pagoda Road and Thrimingala Road at 1100 this morning.

At the meeting, cordial, and frank talks were held on timber-base economic activities and other bilateral cooperation matters.

Similarly, the ROK delegation led by DCL Chairman Mr. (Kim Wu-chong) called on Hotels and Tourism Minister Major General Kyaw Ba.

Similarly, the ROK delegation led by DCL Chairman Mr. (Kim Wu-chong) called on Agriculture Minister Maj. Gen. Myint Aung at the latter's office at Natmauk Road, Yangon [Rangoon] today afternoon.

Similarly, the ROK delegation led by DCL Chairman Mr. (Kim Wu-chong) called on Planning and Finance Minister Brigadier General Abel at 1500 today.

# Brunei, Malaysia & Singapore

## Malaysia

### Minister Wary of Sihanouk's Split With UNTAC

*BK0701062393 Kuala Lumpur BERNAMA in English 0308 GMT 7 Jan 93*

[Text] Kuala Lumpur, Jan 7 (OANA-BERNAMA)—The United Nations Transitional Authority in Cambodia (UNTAC) should take a serious view of Prince Norodom Sihanouk's statement that the Cambodian Supreme National Council (SNC) would no longer cooperate with UNTAC, Foreign Minister Abdullah Ahmad Badawi said yesterday.

He said a split between UNTAC and the SNC would seriously undermine efforts to have lasting peace in Cambodia as the SNC is a powerful body in the country.

"Cooperation between UNTAC and the SNC is crucial to the peace process in Cambodia," he said when asked to comment on the statement of the SNC chairman Tuesday.

Speaking to reporters at the Kuala Lumpur International Airport in Subang near here, he said that as far as he knew, UNTAC had strived to implement its responsibilities well.

However, the situation in Cambodia had deteriorated to the extent that it was becoming more difficult for UNTAC to carry out its responsibilities, he added.

He said UNTAC, under the auspices of the United Nations, should be respected by all parties and cooperation extended to it to help peace gain a foothold in the country.

Among the responsibilities of UNTAC is to ensure that general elections are held in Cambodia this year following an agreement last year between various factions to end the civil war.

### Air Force Personnel To Join UNTAC Force

*BK0601132893 Kuala Lumpur BERNAMA in English 0304 GMT 6 Jan 93*

[Text] Kuala Lumpur, Jan 6 (OANA-BERNAMA)—The Royal Malaysian Air Force (RMAF) will, for the first time, despatch 77 men to serve with the United Nations Transitional Authority in Cambodia (UNTAC).

They would assist in air traffic control and in managing air movement there, Chief of the Air Force Lieutenant General Mohamed Yunus Tasi said Wednesday.

The group, to be known as the RMAF-UN specialist group, would be led by a lieutenant colonel or a major.

The Malaysians would be deployed to the airports at Pochentong in Phnom Penh, Battambang, Kampong Chnnang, and Strung Treng.

The airmen would leave for their assignments in four phases—39 men on Jan 15, 22 on Jan 31, and eight each on Feb 14 and Feb 28.

Their tasks include air space management, fire rescue services and issuing boarding passes to passengers.

The presence of the 77 RMAF men would alleviate problems in UNTAC air traffic control and air movement management currently handled by French and Dutch troops.

Gen. Yunus said the mission for the 77 RMAF personnel was a source of pride for the Air Force because it was the first time it was chosen to serve with the United Nations.

### Commentary Views Cambodian Situation

*BK0601125993 Kuala Lumpur Voice of Malaysia in English 0800 GMT 6 Jan 93*

[Station commentary: "The continued stalemate in the Cambodian peace process"]

[Text] More than a year has gone by and the Cambodian peace process is still in a state of impasse. The latest blow of the peace accord has come from the head of state, Prince Norodom Sihanouk, who announced from his residence in Beijing that he would discontinue extending his cooperation to the UN peacekeepers and Phnom Penh government.

He has taken this decision because of the continued violence being perpetuated on members of the party loyal to him and a failure of the United Nations to put a stop to the aggression. His letter to the head of the UN Transitional Authority in Cambodia, UNTAC, did not mention the aggressors, but it was apparent that he was referring to the Khmer Rouge, which has remained a stumbling block in the UN-brokered peace process and continues to be intransigent in its attitude to the peace treaty signed in Paris in October 1991 among all the four former warring factions.

Though Prince Sihanouk's reason for his decision may be justifiable in the present situation, it is an alarming development at this stage which can have serious consequences. The prince remains a crucial factor for the success of the peace plan despite what is sometimes seen as his unpredictable action.

At the same time, his demand on the United Nations bringing its pressure to bear on the Khmer Rouge to cease its criminal activities should be respected. It must be remembered that Sihanouk is the neutral chairman of the Supreme National Council and there can be no doubt about his popularity with the Cambodian people and his ability to command the respect of the leadership of the four factions in the peace process.

Meanwhile, UNTAC is always facing problems in carrying out its mission. Forty-five peacekeepers were pinned down by the Khmer Rouge last week in a northwest Cambodian village and helicopters had to be deployed for their evacuation. UNTAC personnel have been refused unrestricted access into zones controlled by the Khmer Rouge.

The continued artillery and mortar attacks launched by the radical guerrilla group are seen as a deliberate attempt to block the UN efforts to register voters for the general elections scheduled for May. The faction's [words indistinct] is against the holding of elections in the immediate future. Their obvious plan is to exert their influence and extend their control over as much land as possible before allowing Cambodians to go to the polls. Their aggression may also be in retaliation against UN sanctions imposed on the Khmer Rouge for its refusal to honor the provisions of the peace accord.

It is regrettable that the confidence in UNTAC and its peacekeepers is gradually being eroded because of its ineffectiveness in carrying out its functions in accordance with the conditions of the peace accord. The situation must be reversed before it is too late. The United Nations and all the four factions in Cambodia must do their utmost to give the peace process a chance to work.

### Mahathir Hosts Banquet for Thai Premier 6 Jan

*BK0701061793 Kuala Lumpur BERNAMA in English 0337 GMT 7 Jan 93*

[Text] Kuala Lumpur, Jan 7 (OANA-BERNAMA)—Prime Minister Dr. Mahathir Mohamed said Wednesday Malaysia, like Thailand, was happy to be able to assist and contribute in some modest ways to the economic reconstruction of Vietnam, Laos, and even Cambodia through trade and private investment.

It was indeed hartening to see the economic transformation taking place in these countries, he said at a dinner for his Thai counterpart Chuan Likphai who arrived here Wednesday on a three-day official visit.

"We are doing so in the belief that a prosperous and stable Cambodia, Laos, and Vietnam closely linked to ASEAN or even as members of ASEAN would contribute to the peace, stability and prosperity of the entire Southeast Asian region," Dr. Mahathir said, adding that the same went for Myanmar [Burma].

The Association of Southeast Asian Nations (ASEAN) groups Brunei, Malaysia, Indonesia, the Philippines, Singapore, and Thailand.

It was for this reason that Malaysia viewed with serious concern the refusal of the Khmer Rouge to participate fully in the peace process in Cambodia, he said.

"Such a stand runs the risk of plunging the country back into a civil war, affecting the peace and stability of the entire region," he said.

He said Malaysia would like to appeal to the leaders of the Khmer Rouge to return to the peace process and spare the country from turmoil and hardship.

He said that while ASEAN had stood firmly behind the efforts of the United Nations to enforce the Paris Agreement, Malaysia would like in particular to pay tribute to Thailand for its decision to fully enforce UN Security Council trade sanctions against the Khmer Rouge even though some Thai business interests might be affected.

On broader international issues, he said it was difficult for Malaysia to ignore the death, deprivation, hunger, and blatant violation of human rights taking place, specifically in Somalia and Bosnia-Hercegovina.

He said that though Malaysia could feel somewhat relieved that the situation in Somalia had improved following the despatch to that country of an international force led by the United States, the situation in Bosnia-Hercegovina continued to be grim.

"Serbian guns continue to pound senselessly on innocent civilians in Sarajevo and other Bosnian-controlled areas.

"Thousands of Bosnians, Muslims and non-Muslims have been and are being raped, tortured, and massacred everyday," he said.

Dr. Mahathir asked how many thousands more must be killed and tortured before the United Nations decided to use force, and added that peace negotiations had proven futile again and again.

He stressed that only force could bring about results and added that "we cannot believe the forces of righteousness will only assert themselves when their quarry will pose no lethal threat to their forces".

### Mahathir, Chuan Talk on Regional Cooperation

*BK0701103593 Kuala Lumpur Voice of Malaysia in English 0800 GMT 7 Jan 93*

[Text] Malaysia and Thailand have agreed to speed up the development of the Northern Triangle covering the northern part of peninsular Malaysia, South Thailand, and North Sumatera. Both countries feel the move will bring a lot of benefits to the three areas. This is agreed to during talks between Datuk Sri Dr. Mahathir and his Thai counterpart Mr. Chuan Likphai at the Prime Minister's office this morning. The Thai premier is on a three-day official visit to Malaysia.

Foreign Minister Datuk Abdullah Ahmad Badawi told newsmen after the meeting that Datuk Sri Dr. Mahathir wants both Malaysia and Thailand to lift out the facilities available in three areas to form the basis for development planning.

Former Finance Minister Tun Daim Zainuddin has been appointed Chief Coordinator of Development for the Malaysian side. Datuk Abdullah also said that the visit of the Thai prime minister is important for Malaysia as it will help the Malaysian Government to have a better insight into the policies of the new administration.

Visiting Thai Prime Minister Chuan Likphai says that ASEAN should seriously address nontariff and non-border areas of cooperation to complement tariff liberalization towards improving regional trade and investment. He said the regional association must take co-active stand in coping with the uncertainties of the new world order and the impact the American economic groupings among the economic superpowers.

The ASEAN Free Trade Area, AFTA, idea for a common market in the Southeast Asian region is merely a component of the cooperation among member countries and it must be forward by other measures to support its march towards prosperity.

Mr. Chuan said that in working towards common prosperity ASEAN member countries should hedge themselves against the uncertainty by having as many options as possible. He also praised Malaysia for voicing its view that the United Nations should serve to fulfill the aspirations of the majority of the members.

On Cambodia, Mr. Chuan said Thailand fully and firmly supported the United Nations efforts to bring about peace and stability in that country and hoped that the Cambodians would try to achieve national reconciliation.

### Diplomatic Ties With Marshall Islands Established

*BK0601113093 Kuala Lumpur NEW STRAITS TIMES in English 5 Jan 93 p 2*

[Text] Kuala Lumpur, Monday—Malaysia and the Marshall Islands today established diplomatic relations. A joint statement issued by Wisma Putra [Malaysian Foreign Ministry] said both countries wanted to strengthen friendly relations and promote cooperation.

## Singapore

### Economic Development Board To Expand Ventures

*BK0601123293 Singapore Singapore Broadcasting Corporation in English 1100 GMT 6 Jan 93*

[Text] The Economic Development Board said its two main tasks would be more to help local companies to expand into the region and developing home-grown multinationals. The board plans to enhance and provide more programs to provide a conducive environment for local companies to go abroad.

The director of the board's Enterprise and Development Division, Mr. Lee Suan Hiang, told a news briefing there is no choice of local companies wanting to go regional. The board's Local Enterprise Finance Scheme launched last November have attracted 25 companies and more are expected to take advantage of this scheme.

Mr. Lee said the board is now compiling a list of those who had gone overseas in the last one to three years. To help others follow suit, there will be more overseas missions this year focusing and developing joint ventures and linkages.

## Cambodia

### Political Purpose Seen Behind KR Advances

*BK0501034693 Bangkok THE NATION in English 5 Jan 93 p A6*

[Article by Kunlachada Chaiphiphat: "Can UN Endure the Khmer Rouge [KR]?"]

[Text] "We now see the light at the end of the tunnel," was a phrase much bandied about by Cambodian experts in the past few years to describe the nearly-concluded political settlement in Cambodia.

For 1993, the words have changed slightly into: "We still cannot reach the end of the tunnel despite the guiding light."

It has been more than a year since the signing of the United Nations-brokered Cambodian peace accords in October 1991 which resulted in the arrival of 20,000 UN peacekeepers in that country. The situation in Cambodia is so volatile that the holding of Cambodia's first free and fair election envisaged under the peace plan tentatively set for this May may turn into a pipe-dream.

An ASEAN diplomat described the lull in implementing the UN's most expensive operation as "brinkmanship" with the international body, the Khmer Rouge and Thailand being the key players.

The Khmer Rouge despite the UN trade sanctions against them are determined to abstain from the UN-supervised election unless their two conditions—a more powerful role for the Supreme National Council vis-a-vis Phnom Penh and a serious UN verification of Vietnamese troops disguised as civilians in Cambodia—are met.

The diplomat said the Khmer Rouge have continued to drag their feet on the peace process for political gain while the UN is betting on the May election, with or without Khmer Rouge, coming off as a qualified success.

He said a resumption of talks with Khmer Rouge recently spearheaded by Foreign Minister Prasong Sunsiri was a mere sideshow to the current Cambodian fiasco.

"That was to correct the national image tarnished by Thailand's half-hearted support to the UN trade sanctions against the Khmer Rouge," commented the diplomat, who asked not to be identified.

"Thailand, which was drawn into the conflict because of its interest in trading with Khmer Rouge, seems to lack the political clout to put an end to the Khmer Rouge intransigence against complying with the peace plan," he said.

He added that the current government was being held hostage by the domestic political situation, where the rifts, in the wake of the bloody May democracy uprising between the military and the civilian government, have kept them too far apart to cooperate as they did successfully during the tenure of former Prime Minister Chatchai Chunhawan in bringing the Khmer Rouge to the negotiating table.

The proposed presidential election prior to the poll that would give Prince Norodom Sihanouk legitimate power to command national unity among the Cambodian warring factions has flopped because of Khmer Rogue's refusal and Sihanouk's failing health. The prince is now undergoing medical treatment in Beijing.

The UN trade embargo mainly involving bans on log and oil trading with the group would neither hurt the Khmer Rouge nor prod them back into the peace process. Rather, it would force the Maoist group to become more hostile to the electoral process now underway in Cambodia.

Some Western observers still believe that the Khmer Rouge would only join the scheduled election until they have overriding influence over enough voters through the expansion of their controlled zones. Apparently, the Thais believe strongly that Khmer Rouge do not entertain any idea at all of joining the election.

The Khmer Rouge said in Beijing in November just before the UN's imposition of the trade sanctions against them that they might survive outside the electoral process—a belief they used to reject all-out efforts by Thailand and Japan to coax them back into the peace process which they abandoned last June.

A desperate attempt to arrange a meeting between senior Thai officials with Khmer Rouge's real leader Pol Pot in a bid to safeguard the peace process was rejected outright by the Maoist faction.

A military observer said the rationale behind such a refusal was that the Khmer Rouge are not prepared to talk further and have already made up their minds not to participate in the poll.

He cited intelligence sources as predicting earlier that within a year of the signing of the peace accord, the Khmer Rouge would penetrate deeper into Phnom Penh-controlled zones and sweep up more areas in most of Cambodia's western flank, previously controlled by Sihanouk royalists and Son Sann's Khmer People's National Liberation Front, adjacent to the north-to-southeastern frontier of Thailand.

"The continued resistance is a Khmer Rouge tactic to buy time to gain more territory and accordingly bring more of the electorate under its control," he added.

A Western intelligence source here said the Khmer Rouge could now swallow up altogether 15 per cent of the entire Cambodian territory, the percentage once shared by the other two resistance coalition partners fighting to topple Phnom Penh which controlled about 80 per cent of the country prior to the signing of Paris Peace Agreement.

The Thai intelligence source gave a higher score for the Khmer Rouge. He said the Khmer Rouge could take up to one third of Cambodia.

One of the worse case scenarios is the possibility of renewed fighting between the Khmer Rouge and Phnom Penh troops defending their territories and advancing into each other's zones before the May election.

"The fighting would disrupt the registration process of Cambodian returnees from Thailand and could send them back to where they came from," said the same military observer.

Thailand is expected to repatriate the remaining 100,000 Cambodian refugees to their country before the registration of voters ends on March 31.

He further predicted that Khmer Rouge, despite their economic isolation, would be able to endure the fighting for a year after the election with the arms they have stockpiled without having to depend on outside suppliers.

With the Jan 31 deadline for the Khmer Rouge to register their political party approaching fast, any quick solution to break this current stalemate appears to be impossible.

## Sihanouk Says U.S. Working Against Him

*HK0701121093 Hong Kong AFP in English 1154 GMT 7 Jan 93*

[Text] Beijing, Jan 7 (AFP)—Prince Norodom Sihanouk has accused the United States of working against him and of trying to prevent Cambodia from holding immediate presidential elections.

"For more than one year, the United States has been at the forefront of an anti-Sihanouk movement," said the prince in a statement dated Wednesday [6 January] and released to the press Thursday.

Sihanouk also implicated the U.N. Transitional Authority in Cambodia (UNTAC), which has peacekeepers in Cambodia.

"With the support of certain members of UNTAC, certain Americans have done everything to prevent presidential elections taking place several months before elections for a constituent assembly in Cambodia," the prince wrote in the three-page attack on the United States.

Sihanouk has long advocated presidential polls—not envisaged in the October 1991 U.N.-backed peace plan that officially ended Cambodia's 13-year civil war—to take place before the May general elections.

The statement by Sihanouk, 70, who is receiving medical treatment here, followed a radio broadcast Wednesday on the Voice of America which said that his decision to stop cooperating with UNTAC did not help ensure the success of the peace process.

The prince, chairman of the Supreme National Council that groups Cambodia's opposing factions and represents the country's sovereignty, announced Monday he would no longer cooperate with UNTAC, citing its failure to prevent frequent attacks on and killings of his supporters.

"Although Washington D.C. has not mentioned me by name, it is clear that I am the target and that someone is once again trying to give me a lesson in Khmer patriotism," said Sihanouk.

"As for the U.S. Government, I will dispute until my dying day its so-called Khmer patriotism and its so-called love of peace, freedom, independence and true democracy in Cambodia," he said.

The prince continued with a list highlighting the alleged negative role played by the United States in Cambodia since the 1950s.

He accused Washington of ending his monarchical regime in the 1970s and of being at "the forefront of the pro-Khmer Rouge nations" from 1979 to 1981. Sihanouk was overthrown in 1970 by a coup led by pro-U.S. general Lon Nol.

The statement comes as UNTAC chief Yasushi Akashi prepares to meet with Sihanouk here Friday. The prince has said he would not discuss politics at the meeting.

The application of Cambodia's peace accords has been threatened by the hard-line Khmer Rouge's refusal to cooperate, while clashes between factions are becoming more and more frequent as tension mounts in the run-up to elections.

## Paper Supports Hun Sen's 5 Jan Statement

*BK0701053793 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 6 Jan 93*

[PRACHEACHON commentary: "An Important Initiative in the Salvation of the UN Peace Plan"—date not given]

[Text] Ever desiring genuine peace and security for the nation and motherland, His Excellency [H.E.] Hun Sen, member of the Supreme National Council [SNC] and chairman of the Council of Ministers of the State of Cambodia [SOC], on 5 January made public a statement of the SOC calling on the UN secretary general to take urgent measures to end the Khmer Rouge's military violations. The SOC is asking for the amendment of the mandate of UNTAC [UN Transitional Authority in Cambodia] so as to respond to the incidents provoked by the Khmer Rouge and for fixing a deadline of 31 January for the Khmer Rouge to take part in elections. After that time frame if the Khmer Rouge continue to remain uncooperative, there is no reason whatsoever to keep them in the SNC any longer. In the statement, the SOC side has also earnestly demanded that the exact date of a presidential election to be held ahead of the elections for a constituent assembly should be decided as well. These moves constitute an important initiative toward saving the increasingly deteriorating situation created by the Khmer Rouge during the process of implementing the Paris accord.

It is worth recalling that in a few months, the elections, which are the final phase of the Paris peace accord's execution, will be held. It is a crucial stage, for which a clear-cut decision is needed, and this short period of time for protecting the Cambodia people from the Khmer Rouge's second genocide and preventing the UN peace accord on Cambodia from falling foul of the Khmer Rouge's games should not be left out. The SOC's statement urging all possible urgent measures against the Khmer Rouge represents the most appropriate, logical, and necessary request in the current concrete situation ensuing from the nonimplementation and violations of the accord by the Khmer Rouge, who have become an increasingly serious threat to the peace process and the survival of the Cambodian people.

Now more than ever before, if unlimited time is left for the Khmer Rouge, this will risk the greatest danger. The Khmer Rouge will find all possible ways, including a growing number of military maneuvers and political terrorist acts, to obtain the advantage over the SOC side, which is perfectly implementing the Paris accord and cooperating with UNTAC. This is for the purpose of sabotaging the elections, which they view as disadvantageous to them.

Both the amendment of UNTAC's mandate from keeping peace to reinforcing peace and the ostracization of the Khmer Rouge from the SNC in the final stage—as the Khmer Rouge continue to persist in refusing to rejoin the process of implementing the accord as scheduled—are crucial for paving the way for stabilizing the situation and ensuring safety for the holding of the elections, which will determine the success or failure of the UN peace plan on Cambodia. The well-determined time frame for the presidential election ahead of the legislative elections is very important as it not only responds to the current concrete situation in Cambodia but it also constitutes an important contribution to the elections for a constituent assembly.

Concerning these issues, we therefore believe that if all the proposals presented by the SOC side in its 5 January statement are accepted by the cochairmen of the international conference on Cambodia and the UN secretary general as well as the international community, the root cause of the problems created by the Khmer Rouge will certainly be eradicated.

## FUNCINPEC To Export Logs Despite Ban

*BK0601095693 Hong Kong AFP in English 0936 GMT 6 Jan 93*

[Text] Phnom Penh, Jan 6 (AFP)—The FUNCINPEC party loyal to Prince Norodom Sihanouk said Wednesday it was not obligated to enforce a ban on log exports from its zones until the United Nations verified other Cambodian factions were doing so.

Cambodia's Supreme National Council (SNC) voted the ban in September and the U.N. Security Council endorsed it in November as a means to put political pressure on the radical Khmer Rouge, who so far have refused to cooperate with a peace plan ending the Cambodian civil war.

The statement said the party, which controls a small area in northwest Cambodia near the border with Thailand, was not obligated to enforce the ban until the verification process was carried out.

Thai authorities have said they have completely shut the border, but in the first 36 hours after the ban went into effect, hundreds of Cambodian logs left through Phnom Penh government-controlled territory at the Choam Khsan border checkpoint in northern Preah Vihear Province.

## Heng Samrin Addresses National Day Meeting

*BK0701101593 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 7 Jan 93*

[Speech by Heng Samrin, honorary chairman of the Cambodian People's Party Central Committee, at 7 January Phnom Penh meeting marking the 14th anniversary of the State of Cambodia's national day—recorded]

[Text] My respects to all venerable Buddhist monks; beloved prince, excellencies, mesdames, ladies, gentlemen, and compatriots; excellencies, ladies and gentlemen, our dear foreign guests:

Today is the most auspicious historic day on which the Cambodian people throughout the country joyously celebrate the national day of 7 January at a time when our motherland is braving all obstacles to implement the Paris peace agreement. The date of 7 January 1979 forever inscribed in the golden pages of our motherland's history marks the most precious and immense service of the Cambodian People's Party [CPP] which saved the Cambodian people from the terrifying prisons without walls of the savage Pol Pot regime and allowed them to live with truly human dignity in an independent, sovereign, and free Angkorian motherland. The Cambodian people keep fresh in their memory the fact that during the dark period of three years eight months and 20 days under the genocidal regime no other political parties except the CPP dared to stand up and muster the united force of the people to topple that abominable regime. For this reason, the Cambodian people will never forget this historic day, considering 7 January as the day of national salvation and as the one which gave them a second chance.

During the past 14 years under the leadership of the CPP and the State of Cambodia [SOC] Government and with the assistance and support of friendly countries, especially Vietnam, not only have the Cambodian land and people been reborn but have also developed and prospered in many fields, and the people's lives have greatly stabilized. This constitutes a most legitimate national pride for our Cambodian nation.

Dear prince, excellencies, mesdames, ladies, gentlemen, and compatriots, the fantastic rebirth of our Cambodian people and nation and the process of social rehabilitation and development during the past 14 years have taken place in a situation full of difficulties experienced and sacrifices made by our patriotic Cambodian sons and daughters. During that period of time, we have continued constantly to make efforts to prevent the attempts to resume the wrecking of our national community and especially to block the recurrence of the danger of genocide.

The past 14 years constitute a short historical period for a nation that has to begin its reconstruction from zero and confront all sorts of difficulty and obstacles, especially the continued attacks and destructive raids of the genocidals. However, our new regime has braved all of them and has brought about changes and development in many domains, particularly a change for the better in both the material and spiritual life of every Cambodian. Democratic rights and liberties as well as social justice for the people have been restored and protected by law. The cultural, social, and economic undertakings, despite some remaining difficulties, begin to make headway as a result of the new reform and liberalization policies. No one can deny the truth about the development of our motherland and nation under the leadership of the CPP.

Fourteen years of pioneering and implementing the political line of the CPP—which has mobilized the force of solidarity of the entire nation to surmount countless obstacles and difficulties, allowing the national community to be born again and to develop to the present day-—have enabled the CPP to become a party with the greatest political prestige in all of the history of the Cambodian nation. The four historic achievements of the CPP and SOC Government are: first, saving the motherland and people from the danger of genocide and carrying on the historic mission in preventing the attempt by the genocidal regime to return to power; second, reviving the nation and rehabilitating and developing it; third, restoring and promoting the people's democratic rights and liberties, honor, and dignity and the national prestige lost under the Pol Pot regime; and fourth, becoming the main driving force behind and the determining factor in the process of national reconciliation in view of bringing peace to the nation, motherland, and people, thus creating conditions for future national rehabilitation and development efforts.

These achievements were given justice by His Royal Highness [HRH] the august Prince Father, who admired the work of the CPP and the SOC Government in reviving and carrying on the achievements of the Sangkum Reas Niyum [Sihanouk's pre-1970 party] period in virtually all his statements and addresses to the people and foreign personalities.

From the dais of this meeting, I would like to express sincere gratitude, thanks, and admiration to all cadres, party members, combatants, employees, workers, and the people as a whole for making physical and spiritual efforts and even sacrificing lives in the cause of defending and building our beloved Angkorian motherland, for realizing many great present-day achievements, and for turning themselves into a staunch foundation for the success of the peace and national reconciliation process.

I thank all friends, near and far, in the world and the international community, especially the UN Transitional Authority in Cambodia—UNTAC—who have made and are making tireless efforts to promote the process of implementing the Paris peace agreement with a profound sympathy and affection for the Cambodian people and who wish to see lasting stability restored to Cambodia that is free from misery and poverty.

On this same auspicious occasion, I take the liberty of expressing deepest gratitude and admiration to HRH Prince Norodom Sihanouk, father of the nation, head of state, chairman of the Supreme National Council, and father of Cambodia's national reconciliation, for offering both physical and intellectual efforts to the cause of national reconciliation and national rehabilitation and development. I wish him all the blessings of Lord Buddha, a prompt recovery from his illness, and hundreds of years of life so he can continue to wisely lead the Cambodian state ship toward the shore of prosperity and happiness.

Once again the CPP, the SOC Government, and the Cambodian people wish to reaffirm their full support for the prince's candidacy for forthcoming general elections to choose a head of state or president ahead of legislative elections.

Beloved prince, excellencies, mesdames, ladies, gentlemen, and compatriots, at this juncture the Cambodian motherland has deeply come into the new stage of national reconciliation. At this stage the future bright prospects of progress, independence, peace, stability, sovereignty, and happiness are moving ahead on a vast road leading toward a new era, that is, the era of peace, stability, and prosperity. Over the past year, in its capacity as the ruling administration and the host party, the party of the SOC has been active in sincerely implementing all the provisions of the agreement. Not only this, but it has also done everything with the greatest restraint and patience in response to the military violations of the Khmer Rouge and to the myriad forms of complexity in view of maintaining the situation at a level necessary for us to implement the agreement and reach the ultimate goal: to hold free and fair elections.

On the contrary, the Khmer Rouge have tried hard to erect obstacles to the peace process at every step. Up to the present, the military violations of the agreement by the Khmer Rouge faction have been intensified on a daily basis while acts of terrorism, instigation, incitement, and agitation to create chaos and anarchy in the populated areas and cities have been increased with the aim of prolonging the people's suffering and misery. This constitutes a most worrisome threat against the process to bring peace and stability to the motherland.

The Cambodian people condemn the genocidal Polpotists for their recent serious violations of the agreement when they used military forces to attack a number of regions, causing losses to tens of thousands of people and damaging or destroying their houses, cattle, and rice crops. The Cambodian people appeal to the international community and countries, near and far, to apply pressure on the Khmer Rouge in order to end the suffering and misery of the people.

In the face of this most dangerous situation, the CPP and the SOC Government propose to the cochairmen of the Paris conference on Cambodia and the UN Security Council [UNSC] the following:

1. In order to ensure safety for continuing voter registration and for holding the elections as planned, we propose that the UNSC take all kinds of measures to put an end to the Khmer Rouge military violations and prevent the Khmer Rouge from expanding their territory. To do that, UNTAC must carry out the mandate provided for by the Paris agreement and UNSC Resolution No.792. If this cannot be implemented, the party of the SOC proposes that the UNSC amend the mandate of UNTAC in response to the situation created by the Party of Democratic Kampuchea/Khmer Rouge.

2. To ensure that the forthcoming elections are held freely, democratically, and fairly, we must set a deadline of 31 January 1993 for the Khmer Rouge to join the elections. Otherwise, the elections would not conform with the spirit and letter of the Paris agreement.

3. If the party of Democratic Kampuchea/Khmer Rouge continue to refuse to implement the Paris agreement and not to take part in the elections according to the letter of the agreement after the deadline, the party of the SOC demands that the Khmer Rouge be excluded from the peace process of the Paris agreement and that they be considered insurgents or outlaws as a result of their own actions.

4. In order to further strengthen national reconciliation and national unity in Cambodia and to ensure political stability before and after the Constituent Assembly elections, the party of the SOC proposes that a specific date for the presidential elections be set ahead of the Constituent Assembly elections.

Venerated Buddhist monks; beloved prince, excellencies, mesdames, ladies, gentlemen, and compatriots, our Angkorian motherland has experienced many important events in its history. The one historic incident, the most important of them all that all Cambodian sons and daughters remember at this moment is the harrowing, heartrending, and terrifying bitter tragedy and rebirth of our motherland and people.

These past 14 years stick permanently in the minds of our people and are indelibly inscribed in the history pages of our nation. At the present, the Cambodian motherland has entered a new stage, that of national reconciliation. This calls for our people to continue shouldering a number of difficulties caused by the consequences of the serious devastation at the hands of the genocidal Pol Pot regime and the scars of the war over the past two decades. Each of us must continue to make constant efforts to prevent all attempts to resume the wrecking of our national community and particularly to block the return of the genocidal policy.

Everyone of us must strengthen the will to fight in order to defend and build the motherland now more than at any time so as to carry on his and her historic mission, that is, to live in peace and build a new society in an independent, democratic, neutral, peaceful, happy, and prosperous Cambodia. For the immediate future, each level and each sector, the authorities at all echelons, and every citizen must successfully and effectively implement the following important tasks:

1. Closely cooperate with UNTAC and various parties to implement the Paris peace accord. And do this in full while actively opposing all attempts to poison the neutral environment which is the dark design of the Khmer Rouge.

2. Correctly exercise the right to self-defense and block all military violations of the Khmer Rouge.

Our competent authorities at all levels must heighten vigilance, raise the sense of mastery in self-defense, and closely cooperate with UNTAC in order to deter as many armed banditry activities and acts of terrorism and unrest as possible in view of maintaining and promoting security, public order, and societal stability, protecting the peaceful livelihood of the people, and creating conditions for political parties to carry out their legal activities freely.

The competent authorities must not allow unrest to take place in our national community without trying hard to prevent it.

3. Strive to rehabilitate the national economy; continue the stabilization of the economy and the people's livelihood; vigorously accelerate the harvest of the monsoon rice and cultivation of the dry-season rice; pay further attention to industrial and artisanal production; take active measures to encourage prompt increase in the production of goods for local consumption and for exportation; and expand the implementation of the free-market economy.

The competent authorities must strive to increase revenue and reduce spending.

4. Strive to mobilize the force of great national solidarity around the CPP and turn it into an active driving force behind and a determining factor in the implementation of the peace agreement; promote and encourage assistance for the repatriated refugees so that they can quickly settle down and conduct a normal living; and provide assistance for war refugees created by the Khmer Rouge.

Availing myself of this auspicious occasion of the 14th anniversary of the national day of the SOC, on behalf of the CPP, the SOC Government, and the National Council of the Front, I appeal to all political parties to place the interests of our nation and people above everything else and to jointly follow the path of the agreement signed in Paris on 23 October 1991 in order to correctly achieve national reconciliation and national development and jointly prevent the danger stemming from the return of the genocidal regime. The Cambodian people resolutely and categorically condemn all complicity with the Khmer Rouge or all cooperation and interest-sharing with the Khmer Rouge. The party of the SOC always resolves to respect and implement the peace process and does its best to prevent the recurrence of the danger of genocide.

For the glorious future of the Cambodian motherland, every Cambodian must exercise his right by taking part in the forthcoming elections in 1993. The people of all nationalities and Cambodian patriots in the country as well as those living abroad must further strengthen national solidarity and strive to make new and more glorious achievements according to the slogan "Everything for the Cause of the Glorious Angkorian Motherland and Cambodian Nation." Thank you.

## Indonesia

### ANTARA Reports Suharto Address to House

#### Suharto 'Optimistic' About Economy

*BK0701075293 Jakarta ANTARA in English 0708 GMT 7 Jan 93*

[Text] Jakarta, Dec 7 (OANA/ANTARA) - The government can draw up the 1993-94 state budget in a better economic condition and feels more optimistic about the country's economy in the period, said President Suharto in his budget speech before the House of Representatives here on Thursday.

We are entering the year 1993 with a more stable economy than the previous year, the president said, adding that the government is relieved that it had passed the year 1992 in that state.

The year 1992 was not a year free from unpleasant events. Although drought did not really take place, other natural disasters such as floods and earthquakes had hit some parts of the country. These disasters have adversely affected the social and economic life of the local inhabitants, he explained.

Several sectors of the economy have not fully recovered from the past slump although the national economy continues to grow. Others had labour problems and some had to complete their consolidation process, he noted.

However, he added, if these various events and problems are looked from the national prespective as well as from wider horizon, the economic boat continues to sail firmly to the front.

As a whole, our national economy has indeed made progress in a number of areas compared with last year, he said.

The non-oil/gas eports remained strong. The manufacture of industrial products, especially export-oriented ones still showed satisfactory growth.

The total value of approved domestic investments also remained quite adequate. When these investments are realized, they will certainly be able to support economic activities in the future.

In the meantime, the value of approved foreign investments in 1992 was actually higher than in 1991, he added. Furthermore, the import of basic materials and capital goods, which sustain domestic production and investment, has in total also gone up, even though the rate was not as high as in 1990, when our economy is overheating, said the head of state.

Thus, 1992 was definitely not a year of economic stagnation. 1992 was a year of adjustments followed by adequate economic growth, he said.

### Spells Out Development Keys

*BK0701080093 Jakarta ANTARA in English 0715 GMT 7 Jan 93*

[Text] Jakarta, Jan 7 (OANA/ANTARA) - President Suharto has stressed the importance of development of economic infrastructure, human resources, and technological potential in order to raise the country's economic capabilities in the face of the second long term development programme.

In his address on the 1993/94 draft state budget before the House of Representatives here on Thursday, the head of state said that these measures are important to allow the country's economy to grow at an even faster pace without the risk of causing economic instability.

Our national economy must be able to sustain an even higher rate of development without raising the economic temperature too abruptly, he said.

The president said that Indonesia must continue to build electricity, telecommunications, harbours, and roads to sustain the economic growth it wishes to accomplish.

According to the president, the country must continue to raise efficiency of the existing infrastructures, remove sources of waste, carry out orderly and regular maintenance. We have to throw away the attitude or habit of always building new projects, while the existing ones are not being properly used or well-maintained, he stressed.

Suharto said that human resources are the key to economic progress, and that various sectors of development will need skilled, creative, and highly-disciplined manpower.

Such human resources must be prepared starting from the most basic education and training. We have to continue our effort of improving the quality of our education, the head of state added.

He stressed that the country has to develop its technological potential so as to enable its economy to raise constantly its productivity.

The president said that the Indonesian people have to develop technology linked to development in the fields of education, industry, agriculture, trade, and infrastructure.

He said the country has to continue to look for and generate funding sources for development. Sufficient amounts of funds must be allocated to finance various development activities carried out by the government as well as by the business community and the public.

We must use the most reliable, safe, and least risky development funds, namely funds coming from domestic sources, he added. In an effort to raise the country's economic capabilities, the president underscored the importance of the intensification of institutional reformation, including the improvement of regulations and the enhancement of the capacity and efficiency of all state apparatuses and institutions.

Institutions that function orderly, efficiently and are responsive to demands will be able to sustain fast economic activities, he added.

### On Balance of Payments

*BK0701080693 Jakarta ANTARA in English 0720 GMT 7 Jan 93*

[Text] Jakarta, Jan 7 (OANA/ANTARA) - President Suharto said that the Indonesian balance of payments has been increasingly stable supported by quite good 1992 oil price and relatively stable gas/oil export earnings.

Speaking before the House of Representatives on the draft 1993/94 state budget on Thursday, he said that non-oil/gas export commodities have increased encouragingly when the world economy is generally still in a slump.

He cited that during the first 10 months of 1992, non-oil/gas export had gone up by almost 25 percent. In August for the first time, the monthly non-oil/gas export surpassed US $2 billion and in October, it was more than U.S. $2.3 billion.

The results have stengthened the government's confidence on deregulation efforts and measures adopted so far and that the compelling momentum must be preserved and consolidated further by improving consistently the deregulation measures on industry, agriculture, and other sectors, the president said.

The government will take measures by increasing the number of supporting infrastructures and stimulating greater investment in the non-oil/gas areas.

The president said that export of industrial products will continue to be the principal motor on non-oil/gas export adding that the government will develop efficient and productive industries whose products are truely competitive in the international market through implementation of an integrated strategy.

He said that the Indonesian balance of payments in 1992 had been improving after the 1990-1991 overheated economy marked by non-oil/gas import increase of more than 30 percent.

The monetary control policy supported by measures to manage commercial off-shore loan has been able to maintain the growth of non-oil/gas import at about 11 percent in 1991-92.

In 1992-93, the estimated import growth will be 13 percent.

With import growth returning to a normal level and the hope of continuing increase of non-oil/gas exports the better balance between export and import can be stricken and the current account deficit will become gradually smaller.

He described that the 1991-92 current account deficit was still substantial, namely at U.S. $4.4 billion, provisional estimate in 1992-93 will decline to U.S.$3.8 billion and for 1993-94 within maintained momentum of export and import growth the current account in the balance of payments will be much lower at U.S.$3.2 billion.

He underscored that this trend shows Indonesia is now in the process of leading to a more normal level of current account deficit, which is sustainable in the long term.

### Identifies Budget Priorities

*BK0701093693 Jakarta ANTARA in English 0737 GMT 7 Jan 93*

[Text] Jakarta, Jan 7 (OANA/ANTARA)—The government in its 1993-94 draft state budget, submitted by President Suharto to parliament on Thursday, allocated 72 percent of its 25.2 trillion rupiah budget to five priority sectors.

The five sectors are the communication and tourism sector, the education, young generation, national culture and belief in one God sector, the rural development sector, the mining and energy sector, and the agriculture and irrigation sector.

Meanwhile, of the government's entire routine expenditures of 37 trillion rupiah, 16 trillion rupiahs are for external debt services.

The communication and tourism sector receives the biggest budget, more than 4.6 trillion rupiah. The largest portion of the budget is for road construction, with an allocated funds of over three trillion rupiah.

The second biggest development budget is allocated to the education, young generation and belief in one God sector, 3.5 trillion rupiah. From this total, over 3.2 trillion rupiah is earmarked for the general education and young generation subsector.

The third major sector is regional, rural, and urban development, which gets 3.5 trillion rupiah.

The fourth development sector that receives a big budget is the mining and energy sector, amounting to almost 3.3 trillion rupiah. The largest portion of this budget will be used for power generation.

Meanwhile, the agriculture and irrigation sector is still given high priority as it still plays a key role in the government's development strategy. The budget allocated is over three trillion rupiah, the fifth biggest provision of the development budget.

In his budget speech, the president stated that one of the priorities of the draft budget is the expansion of basic services and the development of human resources. The funding is dispersed in various sub-sectors, such as education, health, housing and settlement, social welfare and women's role, population and family planning, manpower and transmigration.

The budget for all these programs reaches 6.6 trillion rupiah, which is 26 percent of the total development budget.

### Views Revenues, Energy

*BK0701094193 Jakarta ANTARA in English 0725 GMT 7 Jan 93*

[Text] Jakarta, Jan 7 (OANA/ANTARA)—President Suharto estimated here on Thursday that state revenues will increase by 11.1 percent to 62.3 trillion rupiah in the fiscal year 1993/94.

Out of the total amount, more than 52.7 trillion rupiah (84.7 percent) will come from domestic sources and the remaining 9.6 trillion rupiah (15.3 percent) from development revenues, Suharto said while submitting the 1993/94 draft state budget to the House of Representatives (DPR).

He said that around 15 trillion rupiah of the total domestic sources will come from oil and gas and more than 37 trillion rupiah from non-oil/gas sources.

In the current fiscal year, the domestic revenues and development revenues respectively accounted for 82.9 and 17.1 percent of the total revenues, he explained.

The head of state said that the state revenues will be used for financing routine expenditures to the tune of 37.1 trillion rupiah and development expenditures amounting to 25.2 trillion rupiah, a ratio of 59.5 percent and 40.5 percent.

Suharto also said the total amount of public savings in the fiscal year will be close to 15.7 trillion rupiah, meaning that 29.7 percent of domestic revenues can be put aside as public savings.

In the fiscal year 1992/1993, the domestic revenues set aside as public savings were 28.6 percent, he added.

The development expenditures funded by public savings in 1993/94 are 62.1 percent, an increase of 58.1 percent from the current 1992/1993 state budget, he said.

We are encouraged that since the first year of the fifth Repelita (Five-Year Development Plan), the role of public savings as sources of development expenditures has been constantly on the rise. These developments are our concrete step towards self-reliance in development, Suharto said.

Suharto reiterated that the country faces a number of problems in energy supply at home as 64 percent of energy sources come from oil.

We have done our best to develop other energy sources such as coal, natural gas, hydropower, geothermal and others. But the speed of the utilization of these alternative energy sources cannot catch up with our huge demand for energy, generated by the people's improved standard of living and the rapid industrialization process, he said.

He predicted that with the high rate of energy consumption, the country may possibly become a net oil importer by the end of this century.

Under this condition, the country will continue to export and import oil but the import will be larger than export, he said.

## House Speaker Comments on World Trouble Spots

*BK0701073293 Jakarta TVRI Television Network in Indonesian 0258 GMT 7 Jan 93*

[Speech by Indonesian House Speaker Wahono at the 7 January opening of the plenary session of the House of Representatives in Jakarta—live]

[Excerpt] [passage omitted] Honorable session! While paying attention to domestic events in the past few months, we must also focus our attention on foreign events. We highly appreciate the actions taken by our president in his capacity as chairman of the Nonaligned Movement. He has taken several actions as a follow-up to the Jakarta Message adopted at the 10th Nonaligned Movement summit meeting in Jakarta last October. We also support the move by the Indonesian Government, which has expressed its indignation and deep concern for what has been happening in Bosnia-Hercegovina. The Bosnian people, especially the Bosnian Muslims, have become victims of an increasingly cruel and uncontrolled aggression by the Serbian people. In view of the deteriorating situation, the Indonesian Government has adopted diplomatic moves as a response to such situation. The upheavals in that country, which have taken place for nearly a year, have claimed the lives of thousands of innocent civilians. Serbia has taken no positive action despite the UN resolutions condemning the atrocities and the dispatch of food and medicine to the people living in Sarajevo. We also hope that Serbia will comply with the UN resolutions and stop its military aggression against Bosnia under the leadership of Slobodan Milosevic.

The stalled peace process in Cambodia due to the intransigence of the Democratic Kampuchea faction, better known as the Khmer Rouge, has brought about continued conflicts in that country, which may affect regional stability.

Meanwhile, in another part of the world, we also witnessed with deep concern the starvation and death of hundreds of thousands of Somalian people. The international relief measures for these people never reached their hands because of the turbulent civil war in that country. The presence of U.S. Marines and military units from other countries under the United Nations auspices have brought new hope and reduced suffering and destruction in Somalia. In this connection, it is hoped that the warring factions in Somalia will lay down their arms and begin talks for the interest of their own country.

We also view the recent deportation of Palestinians from the Israeli-occupied territories as something that really hurts our feelings and jeopardize peace efforts initiated by several countries. We hope that the Israeli Government will comply with the UN Security Council resolutions.

Meanwhile, we warmly welcome the recent signing of the START II accord in Moscow by U.S. President George Bush and Russian President Boris Yeltsin. The signing of the accord means that the two countries will reduce their nuclear arsenal. This means that human beings' fear of nuclear arms as weapons of mass destruction will disappear. From now on, human beings living in this planet can hope for a safe and peaceful world devoid of nuclear weapons following the end of the cold war. We sincerely hope that the parties concerned will honor this accord. [passage omitted]

## Minister Hails Proposal To Reduce Oil Quota

*BK0501130493 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 5 Jan 93*

[Text] Indonesia has welcomed the proposal to reduce by 2 percent the oil production quota of each OPEC member to reduce the world oil production surplus.

Speaking to reporters before attending a plenary cabinet meeting in Jakarta today, Mining and Energy Minister Ginanjar Kartasasmita noted that if each OPEC member voluntarily reduces its oil production by 2 percent, it will certainly be a good move. For this reason, Indonesia has voluntarily reduced its oil production several times in an effort to reduce the world oil surplus.

Ginanjar said it was Iran that had made the proposal last December and called for an emergency meeting of OPEC to discuss the proposal. He noted that oil supply and demand in the international oil market is now relatively balanced, but there is a growing oil supply in the market. The minister also said global oil supply should be lower in winter, while oil demand will usually be lower in spring and summer.

## Rebel Chief Charged With Attacking Government

*BK0701090293 Jakarta ANTARA in English 0728 GMT 7 Jan 93*

[Text] Jakarta, Jan 7 (OANA/ANTARA)—Attorney General Singgih has affirmed that the Indonesian Government will charge Xanana Gusmao, the recently arrested leader of the Security-disturbing Movement (GPK) in East Timor, with attacking the government, not subversion.

Gusmao has undermined the official authority, not engaged in subversive activities, because in 1976, he declared himself to be separate from the Indonesian Government, Singgih said here Wednesday.

The Attorney General's Office will not set up a special team to handle the Gusmao case. The office assigned a team to monitor the litigation process of the case.

## Official Discloses Number of AIDS Carriers

*BK0701101793 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 6 Jan 93*

[Text] The number of persons infected with the HIV virus in the last three months stands at 13, bringing to 83 the total number of HIV virus carriers in this country. Speaking in Jakarta today, Gandung Hartono, director general of eradication of contagious disease of the Health Department, said the figures are not yet official because a laboratory examination is still needed to ensure more accurate results.

The director general said the increased number of AIDS carriers when compared to the earlier three-month period showed that the disease had spread quite fast. For this reason, he called on members of the public to remain vigilant and avoid a lifestyle conducive to AIDS infection.

# Philippines

## Romulo's Japan Visit To Stimulate Investment

*HK0701063893 Manila THE MANILA CHRONICLE in English 7 Jan 93 p 1*

[By Johanna Son]

[Text] Foreign Secretary Roberto Romulo is going on an official visit to Japan next month in a bid to drum up more trade with and investments from Tokyo.

Close aides to Romulo said yesterday that a key objective of the secretary's visit, scheduled for Feb. 2 to 6, is "how to motivate Japanese investment to flow in more than it already has."

Romulo is also expected to set briefings with Japan's Ministry of Trade and Industry and the Japan International Cooperation Agency, which handles official development assistance.

"It's also a chance to see how Japan can support us in the future," officials said of Romulo's visit to the regional power.

Romulo's trip to Japan would thus come some time ahead of President Ramos' visit to Japan, which Manila and Tokyo are working on. The most likely date for Mr Ramos' visit appears to be in March or April, during spring, officials said.

Senior foreign affairs policymakers earlier explained the new Philippine Government should begin viewing Japan "not just as a source of investment and assistance" but study what it would really like Tokyo's role in its development to be.

Japan is the Philippines' largest source of official development assistance (ODA), providing more than half of total amount of aid Manila gets, and is a key trading and investment partner of Manila.

In 1990, Tokyo gave the Philippines $650 million in assistance, an amount that represented 8.7 percent of the country's national revenues for that year.

Although Romulo's visit is arranged as one dominated by economic issues and "mainly development diplomacy," officials added that Romulo would discuss with Japanese officials, led by his counterpart Deputy Prime Minister and Foreign Minister Michio Watanabe, matters such as Cambodia.

Other issues likely to be discussed are the implications of regional trading blocs, progress in the Asia-Pacific Economic Cooperation process and the latest developments in the European Community.

## Ramos Signs General Appropriations Act, Vetos 6 Items

*HK0601102293 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 6 Jan 93*

[Text] President Fidel V. Ramos has formally signed into law the 1993 General Appropriations Act, otherwise known as Republic Act No. 7645, in a simple ceremony held at the Malacanang Palace attended by members of the Senate and the House of Representatives, with the absence of Senators Neptali Gonzales and Edgardo Angara.

As expected, Ramos vetoed six provisions of the General Appropriations Act which give powers to the Philippine National Police, Bureau of Fire Protection, Bureau of Jail Management and Penology, and the Philippine Public Safety College to use their remaining funds, the retention abroad of working funds under the responsibility of the labor secretary, implement restrictions in the use by the Armed Forces of the Philippines of its modernization fund, limit the use of foreign-assisted project support funds, restrict the use of budgetary reserves, and implement a certain 'hardship allowance' for teachers comprising a minimum of 25 percent of their basic pay.

From the total P309.4 billion [Philippine pesos] budget for 1993, 10 government agencies have the largest allocations and they are the Department of Education, Culture, and Sports (P35.6 billion), Department of Public Works and Highways (P21.3 billion), Department of National Defense (P21.1 billion), Department of Interior and Local Government (P12.5 billion), Department of Agriculture (P8.3 billion), Department of Health (P7.4 billion) Department of Transportation and Communication (P5.8 billion), State Universities and Colleges (P6 billion), Department of Finance (P4 billion), and the Department of Environment and Natural Resources (P3.8 billion).

The 1993 budget has allocated P55.1 billion for capital spending, which is greater than the proposed P51.9 billion by P3.2 billion, or 6.1 percent. The fund will be used in constructing additional expressways and bridges, telecommunications, public markets, public schools, farm-to-market roads, ports, airports, irrigation and flood control structures, as well as other infrastructure projects.

Ramos reminded the members of Congress about the importance of enforcing new revenue measures which, he said, still remain pending. The president also called on all government employees to cooperate in order to make good use of funds.

### Veto May Strain Palace-Senate Ties

*HK0701073593 Manila BUSINESS WORLD in English 7 Jan 93 pp 1, 5*

[Report by Ramoncito P. Dela Cruz]

[Text] With the single stroke of a presidential veto on six items in the 1993 General Appropriations Act, the relationship between Malacanang and its newly found ally, the new Senate majority, may be strained.

This was the warning aired yesterday afternoon by incoming Senate finance committee chairman Ernesto Maceda, one of the architects of the 22-member majority which pledged to work out a "closer cooperation" with the Executive department.

Despite its objections, the new majority is not expected to override the veto, since "it will be futile to do so, as we don't expect to have the necessary numbers in the Lower House," he added.

In a news conference, Mr Maceda announced that the presidential veto, done without any consultation with the Senate finance committee members, will result in "a discordant note in Executive-Legislative relations."

He even went as far as to predict that the new majority may even withdraw its support for the legislative agenda of the Administration, since Malacanang has disregarded the importance of consultation before acting on any legislative matter, as a vital component of cooperation.

(Malacanang earlier said that it has consulted with Senate minority leader Teofisto Guingona, Jr., who is not a member of the finance committee, on the matter. "But does Senator Guingona now speak for the whole Senate?" Mr Maceda asked.)

Business World was unable to contact outgoing Senate finance committee chairman and incoming Senate president Edgardo Angara for his comment, since he was reported to be in Hong Kong yesterday.

The items vetoed by the President yesterday included:

—the absolute cap on certain agencies to use their income;

—stopping the appropriation for the payment of 150 United Kingdom-manufactured Simba armored carriers;

—granting the use of savings by the Philippine National Police and some of its line agencies;

—retention of working fund for the offices abroad; and

—the limitation on the use of foreign-assisted projects support fund.

"Most of the vetoed items were discussed in the bicameral conference committee in the presence of DBM (Department of Budget and Management) representatives who did not voice any objection," he told newsmen, "Apparently pala [it turned out], he was banking on the veto power of the President to amend our provinces."

"This flim-flam of Acting DBM Secretary Salvador Enriquez appears to be the continuation of the perfidious policies of his predecessor who sought exclusive control of the budget," he claimed.

On the first vetoed item, Mr Maceda, one of the vice-chairmen of the Angara committee, noted that "DBM is playing favorites by allowing the same arrangement for the Departments of Foreign Affairs and Health," as the former curtails the same privilege given to the Departments of Interior and Local Government, Labor and Employment and the Judiciary.

As for the vetoing of the fund limitations for the payment of Simba vehicles and the local counterpart funds for the foreign-assisted projects, Mr Maceda stressed that the veto is perpetuating "the heavy-handed practice of the Executive committing the Congress to new projects without prior congressional approval, making it mandatory for us to appropriate counterpart fund for projects that may be unnecessary or of low priority."

For his part, vice chairman of the Angara committee for national defense, Senator Orlando Mercado, urged President Ramos to reconsider his decision, as he pointed out that "appropriations intended for the questionable expenditures could have been used on more priority programs of the government such as environmental protection and conservation or to augment the benefits of ordinary soldiers and policemen."

The veto action by the President on the authority to retain savings of each department for their own disposition, on its part, only reinforced "the continuation of the nefarious practice of realigning appropriations and transferring them wholesale to other items at the kursunada [perference] of the Executive, thus negating once more the congressional power of the purse," Mr Maceda added.

In order to remedy the circumvention of congressional power on budgetary matter, the Manila senator vowed "not to be so generous in the 1994 budget and to cut proposed appropriations to the bone to minimize the possibility of transfers and realignments in violation of legislative intent, just as what we did during the last three years of Aquino Administration."

### Abaya Background

*HK0601063693 Quezon City MALAYA in English 6 Jan 93 p 1*

[Text] President Ramos will veto six items in the P310 [Phillipine pesos] billion budget for 1993 which he will sign today.

These are:

—Grant of authority to the Philippine National Police, the Bureau of Fire Protection, Bureau of Jail Management and Penology, and the Philippine Public Safety College to use their savings.

—Creation of an overseas working fund for the labor secretary.

—Restrictions on the use of the modernization fund of the Armed Forces.

—Limitations on the use of the support fund for foreign-assisted projects.

—Restrictions on the use of budgetary reserves.

—Provision of a special hardship allowance for teachers pegged at 25 percent of their basic pay.

Presidential spokesperson Annabelle Abaya did not give any reason why Ramos decided to veto the grant of hardship pay for the teachers, which was proposed by incoming Senate President Edgardo Angara.

Abaya said the authority to allow government agencies to use their savings to augment their funds "is vested by the Constitution on the President, the Senate President, the Speaker, the Chief Justice and heads of constitutional commissions."

Ramos said keeping a working fund abroad for the labor secretary would duplicate an existing working fund privilege granted to the Department of Foreign Affairs.

The veto on the restrictions imposed on the use of the AFP [Armed Forces of the Philippines] modernization fund would in effect allow the Department of Defense to fully pay for the Italian trainer jets and the British-made Simba amored personnel carriers.

Congress decided to take out the allocation for the payment of the jets and the armored carriers because of alleged defects which have resulted in accidents.

But Ramos said restrictions on the use of the AFP modernization fund "is seen as a violation of the constitutional mandate on the non-impairment of contracts as well as laws governing obligations as institutionalized under the Civil Code."

## Ramos Approves Science, Technology Master Plan

*HK0601070693 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 0400 GMT 6 Jan 93*

[Text] President Fidel V. Ramos has approved the master plan for the development of science and technology in the country, as proposed by the Department of Science and Technology [DOST]. DOST Secretary Ricardo Gloria said the master plan seeks to modernize technology in the country through transfer from developed countries and research, especially in the field of industry. The master plan also provides for the development of the needed infrastructure and the fostering of science consciousness among the people. Fifteen sectors will be given priority by DOST in the plan, including agriculture, metals and engineering, energy, transportation, electronics, and food. Gloria said the master plan seeks to increase productivity in the Philippines, which will in turn improve the economy.

### NPA Command To Continue Armed Struggle

*HK0701093493 Manila DZXL Radio Mindanao Network in Tagalog 0700 GMT 7 Jan 93*

[Text] Gregorio Rosal, alias Comrade Roger, the New People's Army [NPA] Melito Glor Command spokesman, has expressed determination to continue hiding in the mountains, saying he has continuously been observing no favorable changes in the Ramos administration. Rosal said Ramos' efforts to convince the leftist armed movement to cooperate with the government is purely propaganda and that the government's recognition claim for the NPA is but a deceitful campaign.

Rosal reiterated their movement will continue to fight, adding that reports that say they are already dismantled are meant to discredit them. Rosal further said that the Banahaw Command, Melito Glor Command, Apolonio Mendoza Agapay Command, and other guerrilla units whose locations were not identified are still active. Here is part of Rosal's statement:

[Begin Rosal recording in progress] ...part of a disinformation campaign. The areas that will believe the government's disinformation campaign are those which have not yet been reached by the movement. The barrio people are experiencing fearsome suffering when military operations are launched by the Armed Forces versus the NPA. The maltreatment and abuse, as well as the instilling of fear against the people, cannot be hidden. Thousands of families have had to evacuate from the villages due to the fear of military operations. [end recording]

### Military Reports Gains in Anti-Insurgency Drive

*HK0701070993 Manila DIYARYO FILIPINO in Tagalog 7 Jan 93 p 2*

[Report by Joy Franklin Gonzales]

[Text] About 14,608 New People's Army [NPA] members surrendered, six big camps in various Northern Luzon provinces were recovered, 90 high-calibre guns were confiscated, and 63-million Philippines pesos-worth of marijuana were burned by elements of the Northern Luzon Command's [Nolcom] 5th and 7th Infantry Division in the past year.

Brigadier General Romulo Yap of Nolcom reported that the NPA (Joma Sison wing) are now hiding in the Cordillera Autonomous Region [CAR] after they were flushed out by the military from the provinces of Maray Valley, Kalinga-Apayao, Ilocos Sur, La Union, Pangasinan, Isabela, and Zambales.

Yap said around 1,800 NPA members are in his area of jurisdiction now, 1,500 of which are in CAR

In a news conference, Yap said there is a continuous decline in the NPA force following a series of attacks after the Christmas and New Year truce. He added that four were killed and five were wounded on the military side during an encounter in Quirino Province yesterday.

Yap also reported that Tarlac Governor Tingting Cojuangco has continuously called on the NPA in her province to lay down their arms and return to the government.

Yap added that the government has reclaimed 70 barangays in Northern Luzon, particularly long-time rebel-infested Pangasinan and Zambales.

### AFP Chief Reports 20% Drop in Insurgents

*HK0701125293 Manila Radio Veritas in Tagalog 1200 GMT 7 Jan 93*

[Text] The number of communist insurgents has dropped by 20 percent. This is based on an Armed Forces of the Philippines [AFP] official report which was submitted by AFP chief Lisandro Abadia to President Fidel V. Ramos. The number of communist insurgents went down from about 14,000 to 11,000.

Meanwhile, the reported number of rebel-owned firearms dropped by 18 percent. Abadia added the number of rebels in the country will continuously drop because the strength of the rebel force is deteriorating.

### Garment Exports Up in 1992, Optimistic for 1993

*HK0701071093 Manila THE MANILA CHRONICLE in English 7 Jan 93 p 9*

[Report by Lorelei de Belen]

[Text] The garment industry yesterday projected a further rise in exports this year as the Garment and Textile Export Board (GTEB) made inroads into nonquota markets, particularly Poland.

The other nonquota markets are the Baltic and Nordic regions.

GTEB Director Aurora Timbol said based on the initial calculations, exports of garment and textiles in 1992 reached $2.32 billion, up 14.8% from 1991's $2.033 billion earnings.

Of this, nonquota countries accounted for 21% or a total of $487 million.

This is slightly higher than the exports to nonquota countries in 1991. The four quota countries, consisting of the United States, Canada, Norway, and the European Community, accounted for the remaining export earnings.

Timbol said the industry achieved a better performance last year despite the lingering power crisis and the country's strong peso which dealt heavy blows to the export sector.

These domestic problems accompanied a soft demand in most importing copuntries because of the global recession.

Timbol said the industry was able to offset the adverse effects of these internal and external problems when it pushed for medium and high-end products which usually fetch higher prices.

For instance, instead of exporting plain t-shirts, the exporters put embroidery and other designs, thereby adding value to the products.

Hence, Timbol said, while the utilization of the quota last year was only 72%, or lower than 1991's 75% utilization rate, the value of exports was 14.8% higher than the previous year.

However, were the industry spared from "temporary aberrations," meaning the power crisis and the exchange rate fluctuation, which beset the industry last year, garment and textile exports could easily reach the $2.5 billion mark.

This year, the GTEB will drum up more exports to countries not imposing any quota on garment and textile imports.

Local exporters are shying away from markets in Eastern Europe, the Middle East, and the African region because, while quotas are absent from these countries, these markets don't guarantee sales for them.

"GTEB's obsession for this year is to tap as many markets as possible," Timbol said.

To do this, the GTEB will schedule a selling mission blitz to register the country's presence, particularly in areas and countries where rival Thailand has already cornered a sizeable market.

This is part of the marketing program of the government this year, apart from its planned improvement in quota allocation.

As for the four quota countries, Timbol said the government is scheduled to hold bilateral talks with the United States and Norway by mid-year to discuss extensions of the quota allocations.

## Thailand

### Police Investigate Bomb Found in Bus Depot

*BK0601131393 Bangkok First Army Division Radio in Thai 1230 GMT 6 Jan 93*

[Excerpt] At about 1500 today, the police received a report from a mechanic working at the No. 72 bus garage that there was a bomb hidden in a locker in the garage located in Khlong Toei District, Bangkok. The policemen arrived to investigate the incident and found that an M-26 explosive was hidden in the locker. The explosive was subsequently removed for disposal.

According to Police Lieutenant General Thanu Homhuan, the commander of the Central Investigation Bureau, the explosive might belong to an employee of the garage because the locker in which it was found was an unused locker. Thanu theorized that the incident was not an attempt to disturb the peace. Policemen are checking for fingerprints at the locker and the surrrounding area in order to find the culprit. [passage omitted]

### Major Rice Deal Closed With Russia

*BK0701012393 Bangkok THE NATION in English 7 Jan 93 pp A1, A2*

[Text] Interior Minister Chawalit Yongchaiyut has informed Prime Minister Chuan Likphai, who is now visiting Malaysia, that Thailand has agreed to sell 500,000 tonnes of rice to Russia as part of an all-out effort to release stock and boost the price of rice.

The major deal reflects the urgency with which the Chuan Administration is attempting to achieve a more politically acceptable rice price level at a time when the domestic price is plummeting due to poor-quality production. Yet the world markets are not enthusiastic about the Thai rice either, which costs US$40-US$50 per tonne more than buyer are willing to pay.

Tawat Wichaidit, secretary-general to the prime minister, relayed to the premier what he described as the optimistic news of the rice deal with Russia. The deal means the Commerce Ministry will be able to quickly release its rice stock, presently standing at 700,000 tonnes, to, overseas markets, thereby making it possible to restock with rice produced in this 1992/1993 crop season.

Details of the government-to-government rice deal with Russia remain ambiguous, but Tawat stressed that Thailand would offer credit to the Russian importers.

We have cleared all old debts with Russia, which have nothing to do with this new rice sale agreement," he said.

Thai farmers are expected to produce 20 million tonnes of rice this season, but they are now selling paddy at an average of Bt [baht] 3,200 per tonne, far below the Bt4,100 per tonne the Chuan Administration earlier promised it would achieve.

The opposition has threatened to overthrow the government by using the annual rice issue as a prelude, if not an end in itself, in dramatizing its argument that the Chuan Administration has been ineffective in shoring up the price rice farmers get for their crop.

The opposition is also arranging protests by farmers to discredit the Chuan Administration, planning to put them on buses heading for Bangkok, possibly on Jan 9. Most of the farmers are expected to come from Singhburi, Suphanburi, Nakhon Sawan and Lop Buri, which represent key political constituencies of the Chat Thai and Chat Phatthana parties.

So far, through a combination of market intervention programmes, the government has committed more than Bt10 billion to subsidize the rice price. But since the rice subsidy programme is not designed to comprehensively cover production, marketing and export, it is unable to help the farmers achieve a price level that most are happy with.

Weary of the rice debate, Song Ongchaiwatthana, generally known as Kamnan Song, from Nakhon Sawan, said:

"The rice issue has been going on forever. It is not the buyers or the sellers, but natural conditions which cause the fluctuations in the rice price."

He added that before harvesting takes place, all the people involved in rice production must come together to consult over a unified rice policy, otherwise they would certainly fail to resolve the problem. He also disagreed with the government's plan to dump money into the market to shore up the rice prices, saying it would only lead to greater loss.

Anuwat Watthanaphonsiri, a former commerce minister and now a Chat Thai Party MP from Buriram, also argued that the government's BtlO billion budget to shore up the paddy price was comparable to flushing money down the drain.

"I believe that even if the government pitched in BtlOO billion, it would only go bankrupt, because it does not have measures to shore up the paddy price in the longer term, nor does it understand rice stocking or stock releasing," he said.

Speaking at Government House yesterday, Ubonsak Bualuang-ngan, chairman of the Farmers Federation of Thailand, indicated that the government's market intervention programme, particularly the programme handled by the Interiar Ministry to bolster the rice price, sorely failed to benefit the farmers.

He claimed that government officials merely deposit the money, which should otherwise have been used to intervene the paddy market in the banks to fetch interest yields for their own pockets and that they also work with the rice traders for mutual benefit rather than for the benefit of the farmers.

He added that the government is trying to guarantee the paddy price at 3,800 per tonne, although the farmers are producing paddy at an average cost of Bt4,000 per tonne, which means that they are losing money.

Speaking from Suphanburi, Commerce Minister Uthai Phimchaichon assured that the government will launch several measures to help boost the rice price, such as buying rice from the millers, exporting rice through the Commerce Ministry, assigning the Bank for Agriculture and Agricultural Cooperatives to get pledged rice from the farmers, and restacking to sell rice to overseas markets.

"The farmers face poor rice prices even year because harvesting takes place at the same time, creating an oversupply. We are trying to resolve this problem," he said.

Uthai was yesterday inspecting conditions affecting the rice price in Suphanburi. The province's deputy governor Prasert Plianrangsi, denied that local farmers would be travelling to Bangkok to protest.

Also speaking from Suphanburi, Chamnong Phothisaro, chairman of the House committee studying farme produce prices, said the government's intervention programmne had failed to intervene in a timely manner, otherwise farmers from Phichit province would not have to travel to Suphanburi to sell their rice in this central market.

"This means that the Bank for Agriculture and Agricultural Cooperatives has failed to follow the policy of the government in trying to guarantee the rice price at Bt4,100 per tonne. They should have worked better," he said.

## Worsening AIDS Situation in 1992 Noted

*BK0701054393 Bangkok Radio Thailand Network in English 0000 GMT 7 Jan 93*

[Text] Situation of AIDS in Thailand during 1992 has gone worse. Deputy Minister of Public Health Anek Thapsuwan says that in 1992, AIDS situtation in Thailand has worsened. According to the report, there are 1,105 AIDS patients and 1,395 AIDS-related cases at the moment. It is estimated that the number of HIV-infected persons is about 300,000-500,000 [as heard]. The government has expressed its concern by allocating 317 million baht for the AIDS prevention and control for 1993.

According to the plan, the ministry will set up community-based relief centers for HIV-infected individuals both physically and orally [as heard]. Hospitals will also improve their services so that they are equipped to take care of AIDS patients. A budget of 87 million baht is allocated for medication, treatment of AIDS and AIDS-infected patients as well as for the acquisition of preventive equipment. Another 64 million baht will be given to research and development of AIDS vaccine with the support of the World Health Organization. The purchasing of 52 million condoms is also included in the budget.

## Indian Navy Seizes Boat, Crew

*BK0701115193 Bangkok Voice of Free Asia in Thai 1030 GMT 7 Jan 93*

[Text] At 1100 today, Sakthip Krairoek, the director general of the Foreign Ministry's Information Department, said that the Thai ambassador in New Delhi and the consul general in Calcutta had asked the Indian Government about the reported 26 December shooting of a Thai fishing boat by Indian coastal patrol boats which resulted in injury and the death of a Thai crewmen. According to the Thai Embassy's report, at 0142 on 26 December the Thai fishing boat Si Arunothai was fishing in the Indian economic zone and tried to flee when Indian coastal patrol boats approached. The coastal boats' signal to the Thai fishing boat to stop was ignored so several bursts were fired as a warning. The fishing boat continued to flee and thus was fired at; it eventually surrendered at 0402. A search of the fishing boat found 22 crewmen, two of whom were wounded and one was killed. The wounded crewmen are now hospitalized in (Pakda) town. Six tons of fish and fishing equipment were also found on the Thai boat.

## Vietnam

### U.S. Urged To Take 'Last Step' Toward Ties

*BK0701153493 Hong Kong AFP in English 1220 GMT 7 Jan 93*

[By Andrew Sherry]

[Text] Hanoi, Jan 7 (AFP)—Hanoi urged the United States Thursday to lay the Vietnam War to rest by taking the "last step" toward normal relations.

"Relations between Vietnam and the United States have recently witnessed great progress. But the last step to close the past of the Vietnam War belongs to the U.S. Government," Foreign Ministry spokeswoman Ho The Lan said. She reiterated that Vietnam was cooperating fully to clear the last remaining obstacle to U.S.-Vietnamese ties—doubts over the fate of U.S. servicemen listed as missing in action (MIA) from the war.

The United States launched this week its largest operation to date to account for MIAs in Vietnam, with a goal of investigating all 21 remaining "discrepancy cases" before January 18, U.S. officials said. Seventy-eight U.S. military and civilian experts, together with an even larger Vietnamese team, began their 21st joint operation on January 2, said Lieutenant Colonel Jack Donovan, head of the U.S. MIA office in Hanoi. The 21 MIA "discrepancy cases" are from a list of 135 designated by U.S. presidential envoy John Vessey in 1987 for priority investigation.

U.S. experts say that if any U.S. prisoners were left behind in Vietnam, as some veterans' groups and families of the missing claim, they would almost certainly be among the 135. Hanoi says it freed all U.S. prisoners of war (POW) in 1973.

During the joint operation, teams scattered the length of the country will excavate crash sites, scour newly opened military archives and interview wartime witnessess, Donovan said. They will also investigate 16 reports of Americans sighted in Vietnam after the war that a U.S. Senate committee has described as the "most credible" of thousands received.

The normalization process received a blow this week when that committee, chaired by Senator John Kerry, failed to produce a report as scheduled Tuesday [5 January] on the results of its year-long investigation of the POW/MIA question. The document was reportedly delayed by dissension among members of the bi-partisan committee, who repeatedly visited Vietnam last year.

Hanoi was hoping for a verdict that it was cooperating fully with efforts to account for MIAs, which would have allowed U.S. President George Bush—who loosened the economic embargo against Vietnam last month—to take another step before leaving office January 20.

"We have done our best already to help them to do a good report," said a Foreign Ministry source. "We will keep working, and we think there should be progress in our relations, but it's up to the Americans."

A positive report on the results of the 21st joint operation, which should be communicated to Washington by January 18, would nonetheless allow Bush to move forward on relations with Vietnam if he wished, observers said.

### 'Positive Step' Seen in 1992

*BK0601144793 Hanoi Voice of Vietnam in English 1000 GMT 6 Jan 93*

[Station commentary]

[Text] 1992 marks a positive step in the Vietnam-U.S. relations. Here is a radio review of the issue:

Following the signing of the Paris agreement on Cambodia on 23 October 1991, the U.S. Government started to implement the road-map plan in its relations with Vietnam. 1992 saw exchange visits between high governmental delegations of the two countries to work out positive solutions to humanitarian issues left over by the U.S. war in Vietnam.

Vietnam always considered MIA-POW issue a pure humanitarian issue that the Vietnamese Government and people have cooperated with the United States side in lessening the agony of the American families having their dear ones still accounted missing during the Vietnam war, while tens of thousands of Vietnamese who were missing during the war have not been found. Since 1974, Vietnam on 39 occasions has handed over to the U.S. side 502 sets of remains.

In his Vietnam visit on 18 to 19 November, Senator John Kerry, chairman of the U.S. Senate Select Committee on the MIA Affairs, said:

[Begin Kerry recording] We came here to Vietnam representing the committee to find more answers and to try to be able to be better capable of explaining to the American people, and particularly to the families of MIA's and POW's, what we find to be the truth regarding this issue. We express the gratitude of President Bush, President-elect Clinton, and the American people for this demonstrations of cooperation and for the very clear progress which will assist our countries to move toward a new relationship. So we come here to measure the level of progress so that in three or four weeks when we issue our final report we will have an ability to state to the American people and to the executive branch our perceptions of what this issue means over these twenty years, of what has happened over these twenty years, and of where we believe we should go now. We sat in the War Museum surrounded by the artifacts of war and talked with a colonel in full uniform about soldiers, American soldiers, that he had personally witnessed being killed, and received from him the documents that supported what he was saying. Surely that is a sign of our ablity to be able to bridge the gap between us. We had an unprecedented visit of Americans walking through the Citadel looking at areas that we had never seen before and even visiting spontaneously the homes of Vietnamese people who were gracious enough to receive us without warning and without an invitation and who explained to us the answers to questions we had. In addition to that, we went through an extensive process of looking at specific cases, accelerating the live sighting report process, so that the remaining reports will be completed by December 10th, accelerating the archive and collection process and received permission from President Le Duc Anh to begin a process of the direct contact to veterans through the veterans association and other means, in order to collect all history that will assist in the process of resolving cases. [end recording]

Senator John Kerry. And upon returning from his latest visit to Hanoi in December, Senator Kerry told newsmen at San Francisco airport that Vietnam has been acting with goodwill, that the U.S. should do the same, and step by step, (?approaching) that objective, that is to set up good relations between the two countries.

In reality, in 1992, the U.S. Administration made some right steps toward the U.S.-Vietnam relations. It has four times shifted its trade restrictions toward Vietnam; namely, in February, Washington allowed the remittance to Vietnam; in April, it allowed the direct telecommunications links with Vietnam; on 29 April, the U.S. Government allowed U.S. nongovernmental organizations to have full relations with Vietnam; on 5 June, it again allowed U.S. companies to come to Vietnam to investigate into possibilities of working in Vietnam; and more recently, on 14 December, Washington gave green light to U.S. companies to open their offices and sign contracts with Vietnam.

However, the most significant event in the Vietnam-U.S. relations in 1992 is the exchange of letters between President Le Duc Anh and President George Bush. With that event, the U.S. and Vietnam are on the verge of forgetting the past and looking toward the future in the new relations between the two countries. Nevertheless, public opinion in the United States, Vietnam, and other countries acknowledged the positive step taken by the U.S. side toward Vietnam in 1992, but said that they are still slow, not entirely met the expectations of the people of goodwill all over the world, including the Americans. They affirmed that the early lifting of U.S. sanctions against Vietnam only benefits the United States, as nowadays, its allies like Japan, France, Australia, etc. have played major roles in the Vietnamese market.

## French President's Planned Visit Welcomed

*BK0701151693 Hong Kong AFP in English 1209 GMT 7 Jan 93*

[Text] HANOI, Jan 7 (AFP)—Vietnam heralded Thursday a proposed visit to Vietnam by French President Francois Mitterrand, the first by a Western head of state since the southeast Asian country gained independence in 1954.

"We warmly welcome the visit of the French president to Vietnam," said Ministry of Foreign Affairs spokeswoman Ho The Lan without giving dates for the visit.

Mitterrand announced Wednesday in Paris that he planned to go to Vietnam, a former French colony, probably in February, but added that exact dates had not been determined.

Vietnam's head of state, General Le Duc Anh, had extended the invitation to Mitterrand, Ho said.

Vietnam has recently adopted a policy of opening up to the world which is related to its domestic economic crisis and the decline of communism elsewhere.

## Leaders Greet Cambodia on National Day

*BK0601143193 Hanoi VNA in English 1421 GMT 6 Jan 93*

[Text] Hanoi VNA Jan 6—Vietnamese leaders today extended their greetings to their Cambodian counterparts on the 14th national day or the State of Cambodia (January 7).

The messsage, jointly signed by President Le Duc Anh, Premier Vo Van Kiet, and Chairman of the National Assembly Nong Duc Manh, is addessed to State Council President Heng Samrin, Chairman of the National Assembly Chea Sim and Chairman of the Council of Ministers Hun Sen. It says among other things:

"The peoples of Vietnam and Cambodia have over a long time been bound by ties of solidarity and friendship. In the new period, the Vietnamese people will continue to do everything they can to consolidate and develop the friendship and cooperation between Vietnam and Cambodia on the principles of mutual respect for indepemndence, sovereignty and territorial integrity, equality and mutual benefit, and in the interests of the two people, for peace, stability and cooperation in Southesst Asia and the world over".

## Decision Issued on Collective Labor Agreements

*BK0601142993 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 31 Dec 92*

[Report on the SRV Government Decision No. 18-CP, dated 26 December 1992, on "stipulations governing collective labor agreements"]

[Text] The government on 26 December 1992 issued Decision No.18-CP promulgating stipulations governing collective labor agreements.

The decision contains four chapters and 19 articles.

A collective labor agreement, known as collective agreement in short, is a written agreement between the representative of a worker collective and the employer on the rights, duties, and responsibilities that both sides will observe in their working relations.

Business enterprises belonging to various economic components and business enterprises with foreign capital investment use collective agreements. However, they are not applicable to civil servants in the administrative and service organs or to special business enterprises operated by the Armed Forces.

A collective agreement shall be signed on an equal, mutually agreed-upon, and open basis in conformity with all the stipulations of the law and with the interests of the collective and the general public in mind. Such an agreement shall be promoted by the state.

A collective agreement will become effective only when it is registered at the labor office of a province or city under the central authority. The representative of the worker collective will negotiate and sign a collective agreement with the representive of the employer or with the director of a business enterprise or anyone delegated by the latter. The worker collective representative can be either from:

—The trade union executive committee of the concerned enterprise where over 50 percent of its workers are unionists; or

—The body representing workers of a business enterprise where a trade union does not exist.

A collective agreement shall deal chiefly with wages, bonuses, and other allowances payable to workers; the type of work, and the employment guarantee for workers, the working times, and time-off, social security, the working conditions, occupational safety, and occupational sanitation. The signing of such an agreement shall be undertaken with each party presenting its demands and conditions for negotiations. The party shall then conduct negotiations, solicit views to perfect a draft agreement, and sign the agreement.

The term of a collective agreement can be from one to three years. After it has been in effect for three months, either side can ask for a revision or for supplements to this agreement.

A collective agreement shall bear the signatures of both sides. Three copies shall be made, with one copy to be kept by each party and another to be sent to the provincial labor organ province concerned for registration.

Copies of an applicable collective agreement shall be forwarded to the Federation of Trade Union of the relevant province or city under the central authority, to the trade union of the sector concerned if any, and to the labor offices of the provinces and cities where the business enterprise concerned has its operations.

A collective agreement shall become invalid completely or partially when its contents are against the law. For example, this takes place when its signatories are not authorized; the order in which an agreement is signed is incorrect; and the agreement is not registered at the authoritative labor office and lacks one of the main prerequisites for a collective agreement, as cited above.

The labor office which accepts a collective agreement for registration is authorized to decide whether it is invalid, completely or partially.

Once it becomes effective, the collective agreement shall be applied to all the workers and employees of the business enterprise concerned.

This decision also clearly specifies the enforcement of a collective agreement, the resolution of disputes among collectives, and punishment for violations.

The labor offices concerned are responsible for directing and supervising the signing of collective agreements, their endorsement that comes with their registration, and for monitoring their implementation by the various business enterprises. In coordination with the Federation of Trade Unions concerned, they shall direct the holding of elections and ratify the representative body of the labor collectives concerned, settle disputes and control and inspect the implementation of regulations governing collective agreements.

## Binh Thuan Party Organization Congress Ends

*BK0601095293 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 31 Dec 92*

[Text] The Binh Thuan provincial party organization's second round eighth congress was concluded in Phan Thiet city on 31 December. Implementing the party lines on renovation, Binh Thuan province has in the past year scored notable socioeconomic achievements, thereby encouraging many economic components to participate in production and business. As a result, the province has produced a large volume of goods for the local market and for export.

The province's grain production output increased by 20 percent as compared to the 1986-90 four-year period. The province also produced 32,000 tonnes of maritime products and increased its export value by 2.3 fold.

The congress set economic development targets for the province up to 1995. These include efforts to produce 250,000 tonnes of grain and 90,000 tonnes of maritime products, attain an export value of $18 million, and increase the per capita income by 6-7 percent.

Comrade Do Quang Thang, member of the party Central Committee, attended and directed the congress. He highly appraised achievements scored by the Binh Thuan provincial party organization in implementing the renovation undertaking. He stressed: Binh Thuan should continue to creatively apply the party renovative lines, to exploit local economic potentials, to provide more jobs for the laborers, to satisfactorily carry out the struggle to banish poverty and hunger, and to assist the ethnic minorities.

## General Doan Khue Visits An Giang Province

*BK0601041193 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 3 Jan 93*

[Text] General Doan Khue, member of the Communist Party of Vietnam Central Committee Political Bureau and minister of national defense, recently paid a working visit to An Giang to discuss the province's 1993 national defense and security tasks.

After listening to reports on the political, socioeconomic, and national defense situation in the province, Gen. Doan Khue urged units of the Armed Forces to strive to contribute to resolving socioeconomic difficulties in the province. He also urged agencies concerned to provide more jobs for the workers, further improve the daily life of cadres, workers, and other state personnel, especially those who work for the Armed Forces and the police so as to help them satisfactorily carry out the 1993 tasks.

### Attends Ap Bac Victory Anniversary

*BK0601070593 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 3 Jan 93*

[Text] Tien Giang Province recently held a traditional get-together to mark the 30th anniversary of the Ap Bac victory. Attending the function were General Doan Khue, member of the Communist Party of Vietnam [CPV] Central Committee Political Bureau and minister of national defense; Truong My Hoa, secretary of the CPV Central Committee and chairman of the Vietnam Women's Union; and many veteran revolutionaries, cadres, combatants, and families who contributed to the Ap Bac victory.

Comrade Huynh Van Diem, member of the Party Central Committee and secretary of the Tien Giang Provincial Party Committee, delivered a speech stressing the significance of the Ap Bac battle against neocolonialism in southern Vietnam, which greatly contributed to the cause of national liberation.

Those attending the get-together also visited Tan Phu District to enjoy cultural and artistic shows, visited the local cemetery, and called on families of the fallen soldiers, as well as those who have provided meritorious service to the Ap Bac victory.

## Paper Urges Greater Effort To Fulfill 1993 Tasks

*BK0701093393 Hanoi Voice of Vietnam Network in Vietnamese 1000 GMT 1 Jan 93*

[From the "Press Review" program]

[Text] Under the title "In the New Year, We Must Place Our Confidence in the Nation and Speed Up the Renovation Undertaking," NHAN DAN today says in an editorial: The relatively comprehensive achievements scored in 1992 have created new impacts for socioeconomic stabilization and development in the ensuing years. As a result, we enter 1993 with more favorable conditions than the previous year. However, difficulties and ordeals are still enormous. For this reason, we must strive to bring our strong points into full play and to take advantage of our good opportunity to overcome difficulties and ordeals, continue to vigorously implement the renovation undertaking, positively exploit all sources of capital, and effectively use them in investment projects.

Only by fulfilling these tasks will we be able to attain quick economic growth, stabilize the sociopolitical situation, and catch up with development in other countries, especially neighboring nations.

Celebrating the new year, we must make new efforts to build the country strong and make the people happy and wealthy. We need the vast experiences and concrete actions of all echelons and sectors, all cadres and party members, all combatants in the Armed Forces, and all people throughout the country to fullfill the 1993 tasks.

## Army Paper Hails 1992 Achievements, Looks Ahead

*BK0701071793 Hanoi Voice of Vietnam Network in Vietnamese 2330 GMT 31 Dec 92*

[QUAN DOI NHAN DAN 1 January editorial: "1993: New Situation, New Opportunity, and New Victory"]

[Text] We have just concluded a significant fruitful year, the first in many years in which we have fulfilled or exceeded all key targets set by the state plans. The country has almost extricated itself from the socioeconomic crisis. These encouraged realities have testified to the correct renovative policy of our party—the policy meeting the aspirations of the people and requirements of the era.

The most striking feature in 1992 was that while the international political situation developed in a complex manner, Vietnam firmly maintained its political stability, effectively contained inflation, stabilized commodity prices, increased national reserves, and expanded foreign investment. The cultural, education, public health, and sport activities have made notable achievements. National defense and security have been consolidated, national sovereignty protected, and political security firmly maintained. The quality of the Armed Forces has been improved, Vietnam's prestige in the international arena enhanced, and international cooperation expanded, thereby encouraging more people from all over the world to befriend us.

Our firm foothold, our spirit of self-reliance, and our achievements in 1992 have testified to the fact that Vietnam has firmly maintained its ideal objectives and has chosen a correct path with appropriate steps in order to move forward. 1992 also saw great progress made in the political life, thus eloquently proving the creative concept of our party and its effective leadership over society. The National Assembly has passed the 1992 SRV Constitution. The promulgation of new laws and other activities of the National Assembly have clearly manifested the dynamic function of this people-elected institution—the institution that is leading the country moving toward establishing the law-governed socialist state.

The resolution of the party Central Committee Third Plenum has focused on various important issues and tasks of the nation. These include efforts to implement the open door foreign policy, consolidate national defense and security, and revamp and renovate the party. These are key tasks aimed at motivating the people to close their ranks around the party, enhancing their vigilance and duty in building the all-people national defense system, and combining the economic task with that of national defense and security.

A fruitful 1992 has had an impact on, and given a firm foothold to, the entire Vietnamese people and Armed Forces so that they step into 1993 with great confidence and a high sense of responsibility.

In 1993, our people throughout the country will strive to achieve an increase in gross national product by 7.0-7.5 percent, industrial output value by 8.5 percent, and total agricultual output value by 3.5-4 percent over 1992, with grain output reaching 24.5 million tonnes. Export value is to increase by 20 percent and the annual inflation rate is to be kept below 15 percent.

Achievements in 1992 have greatly encouraged our people to triumphantly fulfill the 1993 targets. However, our entire people and Armed Forces have realized that our tasks are challenging and that we must make greater efforts to fulfill them.

The new opportunities ,however, have opened up numerous stresses, which are impending in the New Year. Difficulties in resolving the unemployment problem and improving social welfare; suppressing such social vices as corruption, smuggling, waste; and opposing such negative phenomena as departmentalism, irresponsibility, and negligence are the weak points that our enemies are taking advantage of to carry out their sobatage activities.

While Vietnam has a firm foothold to develop and gain more friends, the reactionary forces are fanatically finding ways and means to undermine us. At present, many international hostile forces are waiting for a catastrophic loophole in our system. As a result, whereas 1993 is a pivotal year for the success of the 1991-95 five-year economic development plan, it is the year that we must strive to further strengthen the all-people national defense and make new progress in our defense system to be able to effectively protect national reconstruction and defend national independence, sovereignty, and territorial integrity.

As the core force of the all-people national defense system and with the determination to build a regular, seasoned, and modern people's revolutionary Army, it is necessary for cadres and combatants of the Army, in the days ahead, to enhance their political background, firmly maintain the revolutionary ideal, uphold vigilance and dynamism, and consistently maintain combat readiness.

A powerful army will serve as a firm, reliable bulwark for the party and people. A strong army must advance along the path of building a firm, strong all-people national defense system. All notable achievements in national defense and security tasks in 1992 must be attributed to the great efforts and unyielding impetus by our entire people to resolutely defend national sovereignty and independence.

While we have new opportunities and favorable conditions in 1993, new ordeals are also waiting for us. Our success, therefore, rests with the utmost efforts by each of us. We must strive to protect our national independence and sovereignty, attain self-reliance, develop the economy, and combine economy task with that of national defense and security.

1993 will be the pivotal year in the struggle to extricate our country from the current socioeconomic crisis and to advance further along the path chosen by esteemed Uncle Ho to build the country strong and make the people wealthy.